

The NATIONAL UNDERWRITER

Life Insurance Edition

Nearly \$500 Million
of new paid business

... during the year 1955.

No Group, Industrial or Health and Accident.

One of the most dramatic growth records

in the history of life insurance.

An agent cannot long travel at a faster gait than the company he represents!



The Friendly
**FRANKLIN LIFE INSURANCE
COMPANY**

CHAS. E. BECKER, PRESIDENT

SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

*The largest legal reserve stock life insurance company in the U.S. devoted
exclusively to the underwriting of Ordinary and Annuity plans*

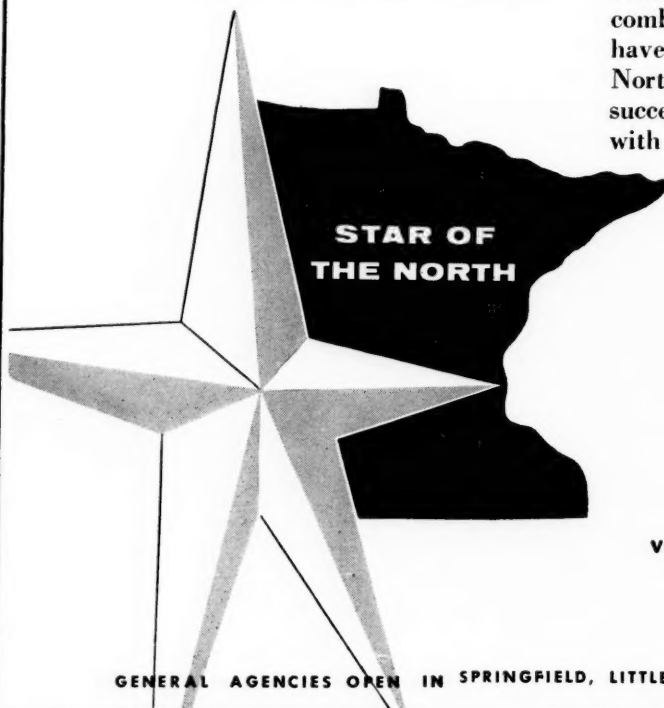
Over Two Billion Dollars of Insurance in Force

FRIDAY, JANUARY 6, 1956

More Than Lip Service!

THIS "STAR OF THE NORTH" insignia marks a company with a friendly family attitude of mutual helpfulness . . . a company which gives *more than lip service* to a formula that works!

THIS FORMULA for successful life insurance selling is based upon (1) The right combination of *organized* sales methods, (2) Tested and proven presentations aimed at selling life insurance to fit *specific needs*, (3) Dramatic, convincing visual sales aids that *really work*, (4) And, above all, shirt sleeve down-to-earth help from Home Office



GENERAL AGENCIES OPEN IN SPRINGFIELD, LITTLE ROCK, COLUMBUS, HARTFORD, TOLEDO

men who spend their time on the street with the Field, before ordinary prospects demonstrating how these tools get positive results.

IN ADDITION, our Advanced Underwriting Division recently has applied these same principles to the unlimited frontiers of Programming; Pension and Profit-Sharing Plans; Estate Planning; Wills and Trusts; Taxes; and, in a unique way, Business Insurance.

TOP THIS OFF with a better paying incentive contract, incorporating an unusual combination of persistency fees, and you have the reasons why the "Star of the North" is the guiding light to many a successful agent who has found himself with . . .

The Agent-Minded
**MINNESOTA
MUTUAL
LIFE**

Insurance Company

VICTORY SQUARE—ST. PAUL, MINNESOTA

Our 75th Year

'Balance' the Big Issue in Imminent Battles over Variable Annuity Laws

By ROBERT B. MITCHELL

NEW YORK—In the effort to frame legislation under which variable annuities may be written, two problems stand out above all others:

1. Should the law permit regular life companies to issue variable annuities, segregating the variable account fund from the general run of assets? Or should the writing of variable annuities be confined to special corporations set up under the insurance law—and if so, should life companies be permitted to own such a corporation?

2. To what extent should a company issuing variable annuities be held responsible for seeing that the buyer maintains approximately a 50-50 balance between variable income and fixed-dollar income? If the company is to be held responsible, should there be provision for continuing this responsibility even after issuance of the variable contract?

These questions—and a few others—have proved so knotty that the joint legislative committee of the American Life Convention and Life Insurance Assn. of America were unable to agree on any recommendation to make to the two organizations. The committee has had a subcommittee working hard on the entire subject of variable annuities. It, in turn, has a drafting subcommittee trying to work out the considerations that should be borne in mind in formulating legislation in any state where variable annuity legislation is sought.

In spite of months of work, however, the drafting committee's report is officially non-existent. While it was discussed at the recent meeting of Life Insurance Assn. of America in New York, nobody wants to give out a draft of it because it is sure to be considerably changed before it is put into final form. It has been emphasized, moreover, that it should not be regarded as "model" legislation, but rather a list of considerations to be dealt with in any legislation that may be enacted.

As reported in connection with the LIA meeting, that organization's board of directors found itself unable to take a position of any kind on the variable annuity. A short time before, the ALC executive committee took the stand that if variable annuities are to be issued, it should be done by separate corporations, though with no prohibition against such a corporation being owned by a life company.

Incidentally, this latter approach might run into trouble with the New York department, in view of its attitude toward Connecticut General Life's proposed acquisition of National Fire of Hartford. The department held that the New York insurance law prohibits any licensed life company from doing other than a life insurance business and ownership or control of a company doing another kind of insurance business would constitute a violation of the law. If the department considered the variable annuity busi-

ness to be something other than life insurance it might be necessary to get a change in the law before the ALC suggestion could be used for companies licensed in New York.

It is worth noting that those who really favor the variable annuity do not care for the separate corporation idea. They prefer the segregated fund approach sought by Prudential in the three bills it has pending in the New Jersey legislature.

The separate corporation plan is favored mostly as a compromise by those who foresee various kinds of trouble if regular life insurance companies are permitted to write the variable annuity. They feel that writing the variable annuity through a separate corporation, even though owned by a regular life company, will minimize the possibilities of trouble and misunderstanding among the public.

Those who favor the variable annuity are also, in general, against any specific legislative provisions that would attempt to enforce a balance between a buyer's variable-income holdings and his fixed-dollar income provisions. They say that as a practical matter such a balance just cannot be enforced. Prudential, for example, plans to take care of providing this balance through its underwriting but once the variable annuity contract is issued there would of course be no further way of making sure that the contract-holder did not change the balance in any way that he might care to.

The draft legislation, it is understood, would authorize the issuance of

(CONTINUED ON PAGE 19)

Companion Starts Grading Premiums by Size of Policy

NEW YORK—Companion Life has since Jan. 3 been applying the principle of lower rates for larger policies to most of its contract forms. This is permitted under a New York department ruling given April 20, 1955, at the request of Berkshire Life. However, Berkshire has thus far been unable to get all the other states where it operates to consent to the plan.

Companion, though licensed also in Connecticut, presently does business only in New York, its domiciliary state. It needed only the New York department's ok on specific details of its plan to put it into effect.

Policies from \$1,000 to \$2,499 pay the regular manual rates—which are all non-participating. Policies from \$2,500 to \$4,999 pay the manual rate less 50 cents per \$1,000. Between \$5,000 and \$9,999 the rate is reduced \$1 per \$1,000 from manual and in the \$10,000 and over category the reduction from manual is \$1.25 per \$1,000.

Reductions apply to all policies except five-year term, mortgage protection, and family income riders, where substantial minimums already are required, and the premium endowment at 65 which is not issued on a per-\$1,000-of-face-amount basis.

MEET THIS WEEK

Five Life Executives to Assist Treasury on Company Tax Basis

WASHINGTON—To assist as consultants in developing a permanent basis for income taxation of life companies, the Treasury has picked Norman M. Hughes, vice-president and actuary of National Life & Accident, Henry F. Rood, vice-president and actuary of Lincoln National Life, George H. Davis, associate actuary of Life Insurance Assn. of America, Richard C. Guest, vice-president of Massachusetts Mutual and Alfred N. Guertin, actuary of American Life Convention.

They were selected from a panel submitted, at the Treasury's suggestion, by ALC, LIA, and Life Insurers Conference.

The five experts met Wednesday with Treasury technicians and staff members of the ways and means committee and joint congressional committee on internal revenue taxation.

It was emphasized that the five insurance men are not acting as representatives of their industry but at the invitation of Treasury Secretary Humphrey are serving as consultants to the Treasury.

The assistance of experts drawn from the life insurance business is being sought primarily because of the difficulty the Treasury has been having in formulating a tax basis that will apply the corporate tax rate to life insurance income without involving fantastic complexities due to the special nature of the life insurance business.

Secretary Humphrey has been quoted as holding out for the corporate rate approach on the ground that it is difficult to defend to the general public the procedure of having special treatment for one industry.

Great-West Life 1955 Sales Hit \$363 Million

Great-West Life registered new business of \$363 million in 1955. This includes \$26 million of additions to the company's share of the U. S. federal employees group plan, compared with \$80 million last year. New business produced by the company's agents in Canada and the U. S. amounted to \$337 million, compared with \$312 million. Insurance in force reached \$2,965,006,141, a gain of \$279,510,677. The Sayre, Toso & Schaefer agency for California at Los Angeles led the entire company with more than \$22 million of new business, followed by the Earl Schwemm agency at Chicago with sales of \$21 million. Vancouver was the leading Canadian branch, with sales in excess of \$16 million. Record years were reported by 22 branches.

Max Seigler, Montreal, led individual agents with sales of \$2,144,000, highest ever recorded by a Great-West representative. H. J. Harris, Ottawa, Quebec, also placed more than \$2 million of business.

N. W. Mutual Sets Sales Record for 4th Straight Year

500 Agents Get Details of New Policy Series at Eastern Regional Meet

Detailed explanations of Northwestern Mutual's new policy series and the approach the company will take in writing substandard business highlighted a program staged in New York



Edmund Fitzgerald

City that otherwise stressed tips on how to sell in today's market. More than 500 agents from 16 eastern states and the District of Columbia turned out for the annual eastern regional meeting, held this week.

President Edmund Fitzgerald told the agents they established their fourth consecutive annual sales record during 1955. Business in force increased 4.6%, a rate 10% higher than that for 1954, he said. "It is anticipated that about half way through the first quarter of 1956 will see us over the \$8 billion in force mark. We passed the \$7 billion mark in 1953 and have doubled the \$4 billion total of 1941." He added that during 1955 there was a 25% increase in term conversions.

Commenting on the new policy series, Mr. Fitzgerald said the 6.03 rate for option C at age 65 is something of a transition. The company is considering the idea of grading option C by the year it is selected as well as by the age of the beneficiary. "We are exploring a graded rate—one that gives those who select the option early in the life of the policy the higher rate that they deserve. It gives those who select the option in the later years the lower rate which the situation would then demand."

Under the present flat system of rough averages, the rate over a period of years—with one single year's exception—is always wrong, Mr. Fitzgerald pointed out. While a more realistic and equitable system will be sought, the speaker said it must be competitive rate-wise, practical and certain—"the kind you can readily put your finger on in the rate book."

Referring to Northwestern Mutual's interest in grading premiums by size of policy for all contracts, Mr. Fitzgerald said the matter is being watched closely and the company is hopeful that its notice of interest given to National Assn. of Insurance Commissioners "will accelerate thinking about permissive legislation in additional states." He commented that the plan still is unworkable for a company doing a country-wide business due to legislative situations in many states.

The general economic picture was

(CONTINUED ON PAGE 18)

Mutual Trust Buys Site for Home Office in Chicago's Loop

Mutual Trust Life has purchased property in Chicago's loop as the site for a new home office building to cost about \$2.5 million. Construction of the building, to be located on the northeast corner of Wacker Drive and Monroe street, is expected to begin in early spring with completion scheduled for late spring of 1957.

The announcement was made at a time when Mutual Trust is embarking on a large expansion program, according to Raymond Olson, president. Mutual Trust recently became licensed in Oregon, bringing to 20 the number of states in which it operates. During the past year a number of new agencies were opened on both the east and west coasts as well as in the midwest.

Plans call for a six-story building on a 27,000 square foot lot. Perkins & Willis of Chicago is the architectural and engineering firm. Mr. Olson said it was decided to build the new office in the downtown central business district in order to make it convenient for employees who come from all sections of the city and the surrounding suburbs.

The company expects to occupy about 80% of the new building initially, renting the remainder. As expansion continues, however, it is expected the entire building will be occupied. The home office now is in rented space at 135 South La Salle street.

Mutual Trust has more than \$515 million of insurance in force, more than 200,000 policyholders, and assets in excess of \$165 million.

Service Life Agrees to FTC Consent Order

WASHINGTON—Service Life has agreed, without admitting any law violation, to a federal trade commission consent order in which it undertakes not to misrepresent the duration of its A&S policies, the number of accidents or sicknesses covered, the indemnities paid for medical, surgical and hospital coverage or the length of time benefits are paid for disabilities.

Minnesota Commercial Men's Association has denied FTC misrepresentation charges and challenged the commission's jurisdiction.

The hearing on Combined of Chicago, scheduled to be held at Washington, has been postponed at the request of Hearing Examiner Laughlin.

Olyniec Heads Milwaukee Life Managers Association

Stanley Olyniec, Washington National, was elected president of Milwaukee Life Managers & General Agents Assn. to succeed Willard L. Momsen, Northwestern Mutual Life, at an annual meeting and Christmas dinner.

Others named were J. Douglas Granis, Minnesota Mutual Life, 1st vice-president; Harold F. Bowes, Phoenix Mutual Life, 2nd vice-president; Donald T. Williams, Metropolitan Life, secretary, and Harold E. Kasche, Aetna Life, treasurer.

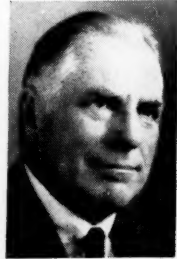
Ups Grace Period in Flood Areas

Connecticut General Life has granted an extra 31 days for payment of premiums by policyholders in the flooded areas of California, Oregon and Nevada. The moratorium applies automatically to all premiums falling due between Nov. 26 and Jan. 9. Policyholders desiring further extensions should contact their agents or nearest branch office.

BRYAN'S VIEW

ALC President Sees New Year as Better than '55

Evaluating business prospects for 1956, Joseph M. Bryan, 1st vice-president of Jefferson Standard Life, president of American Life Convention, predicted the new year will probably be even better than 1955, itself a peak year in many fields.



Joseph M. Bryan

Mr. Bryan described 1955 as another "surprise year" for the American economy. Even the most optimistic business forecasts were exceeded and new records established, he said. National income, personal disposable income, and business profits reached all-time highs.

Presaging well for 1956, according to Mr. Bryan, is the fact that all three major purchasing groups—individuals, business and government will spend more.

"An increase in defense spending has already been indicated," Mr. Bryan remarked. Other segments of the national government, particularly in the agricultural and foreign aid fields, will spend moderately more. State and local expenditures for schools, roads, and other public improvements may be expected to continue to rise.

"It is generally agreed that business investments for new plant and equipment will continue to increase. Higher wages—including guaranteed annual wages—and product competition would seem to indicate that further modernization and expansion will be the order of the day."

While some quarters expect residential construction may go off somewhat, Mr. Bryan stated such a decline could be offset by increased commercial and industrial construction. Further moderation of a decline could come about because of added features in housing, such as air conditioning.

"It is predicted without apparent contradiction that consumer disposable income will be higher," Mr. Bryan pointed out. While moderately less may be spent for some durable goods and savings may increase, over-all consumption expenditures will probably be more, he said.

Sectors of the economy showing weakness in 1955 appear to be compensated for by other sectors with growing strength, Mr. Bryan pointed out. The coming year may be characterized by a more buoyant demand for long-term funds than prevailed during the 12 previous months.

High consumer incomes and higher savings imply a receptive audience for the alert agent, the ALC president said, adding that the outlook is equally reassuring to those responsible for investment of funds.

Kalkbrenner Advanced

Albert H. Kalkbrenner Jr. has been appointed associate general agent of Aetna Life at Minneapolis, where A. H. Hiatt Jr. is general agent.

Mr. Kalkbrenner, who has been agency assistant at the home office for the past 18 months, joined the company at Cincinnati in 1946 and later was advanced to supervisor.

B.M.A. Steps Into \$1 Billion of Life in Force Category

Business Men's Assurance has passed the \$1 billion life insurance in force mark. President J. C. Higdon emphasized the goal was achieved through the result of normal growth rather than a concerted drive.

Mr. Higdon also noted that A&S premium income is practically equal to that from the life insurance operation, the difference currently being less than 1%.

Among those taking part in an impromptu celebration following announcement of the milestone was Charles C. Alves, the man who bought the first B.M.A. life policy in 1920. Mr. Alves applied for another policy in December which was among the last contracts issued in B.M.A.'s first billion dollars of life insurance in force.

"For sentimental reasons," Mr. Higdon said, "the company thought it opportune for the man who started the billion to be named as the one who finished it. And, for much the same reason, we selected W. T. 'Tommy' Grant II, six-year old grandson of B.M.A.'s founder, W. T. Grant, to start the second billion. Tommy, through his father, W. D. Grant, B.M.A. vice-president in charge of reinsurance, purchased the policy just a few days before Christmas."

B.M.A. was founded as an accident only protection association in 1909. It began writing life insurance in 1920.

Mutual Benefit H.&A. Passes \$155 Million in Premiums in 1955

Premiums of Mutual Benefit Health & Accident in 1955 exceeded \$155 million, according to President V. J. Skutt. The company wrote 14% more business last year than in any year in its history.

Mr. Skutt said he expects 1956 to be even better for the insurance business. Construction will start this month on a second large addition to the original home office of Mutual Benefit, dedicated in 1940.

Mutual Benefit expanded its operations in the West Indies. It is one of the few companies licensed in all 48 states, District of Columbia, all provinces of Canada, Alaska and Hawaii. Benefits paid to policyowners reached a total of \$685 million at the close of 1955, Mr. Skutt said.

Occidental, Cal. Wins Top Rose Parade Prize

A record 61,750,000 persons saw Occidental Life of California win the grand prize in the annual Tournament of Roses parade at Pasadena, Cal., Jan. 2, with its float depicting past Rose Parade queens. Officials estimated 60 million saw the spectacle on television, while another 1,750,000 lined the parade route.

Among the six former queens who rode in the float was Virginia Hess, whose husband, Don Hess, is an agent at Pasadena for Occidental, and whose father, Roy Goodhue, is Occidental's chief purchasing agent. More than 2,500 orchids, plus thousands of roses, cyclamen and China chrysanthemums were used to fashion the entry.

Names R. L. Hecht in Ohio

Robert L. Hecht has been appointed associate general agent for Ohio State Life at Celina, O. His father, William H. Hecht, is general agent.

COMPANIES TO PAY

Enlist 2,500 CPAs to Audit Books of All Texas Insurers

The presidents of several of the larger Texas companies have endorsed the blanket order issued by the insurance department under which some 1,400 companies domiciled in the state will be examined this year by 2,500 certified public accountants.

Some pointed out such an examination would duplicate the regular convention examinations, but expressing seemingly the general attitude, one president was quoted as saying the mass audits should determine "once and for all the solvency of the 1,400 insurance companies in Texas." One president expressed doubt a CPA would be as qualified to examine an insurance company's books as would an actuary because of the type of accounting used in insurance.

The unprecedented action, according to an insurance department's statement, is to "weed out as quickly as possible those operations which are unsound and unsafe and unworthy of public confidence. Costs of the CPA audits will be paid by the companies."

The mass auditing decision was precipitated by the closing last month of the U.S. Trust & Guaranty of Waco, a joint insurance and investment concern which was placed in temporary receivership with estimated liabilities amounting to about \$6 million and liquid assets of \$800,000. The insurance operation was principally coverages in connection with automobile financing. A court hearing on the failure was scheduled this week.

The mass audit will get under way as soon as possible by assignments of one or more of the state's 2,500 CPAs to every Texas insurer under board supervision. There will be no advance announcement of the audit to the individual company involved.

If any company refuses to make its records available, the insurance department will suspend its license and will send regular examiners to the company within 48 hours to make a thorough audit. Further, the department will go to court immediately in the event any company should contest the legality of the plan, which is based on general powers and not on any specific statutory authority.

Some idea of the possible cost is found in the average daily fees, which range from \$35 for a junior CPA to \$65 for a senior CPA, \$85 for a supervisor and \$125 for a firm partner.

San Antonio CLU Hears CPA on Taxes, Insurance

The problem of estate taxes may be used as a springboard for the development of an adequate life insurance program, Walter Flack, San Antonio CPA, told the San Antonio CLU chapter.

Discussing "Taxes As Related to Life Insurance," Mr. Flack also suggested that members of a partnership or corporation may create employee incentives by providing life insurance for the workers with the cost charged to the cost of business operation.

Tex. Insurer Writes Major A&H

Republic National Life is writing major medical with a \$500 deductible paying 75% of the excess amount up to \$7,500.

Farley Sees FTC Complaints as Forging Long-Term Regulation of A&S Advertising

The series of federal trade commission complaints against various companies seems to indicate that FTC's original purpose was not simply the immediate correction of A&S advertising practices, but rather the forging of a long-term regulatory program by defining FTC jurisdiction and establishing by a "sort of common law process that specific actions constitute improper advertising practices."

That was the observation of Jarvis Farley, secretary, treasurer and actuary of Massachusetts Indemnity, who spoke on "Recent Developments in Sickness and Accident Insurance" at the annual meeting of American Assn. of University Teachers of Insurance at New York City.

"To achieve that long-term purpose it was apparently not considered necessary that the complaints be based on current activities," Mr. Farley said, "but it probably was considered necessary to follow the complaints through to a definite conclusion in law, both as to jurisdiction and as to standards of advertising."

There are unresolved questions under public law 15 as to the borderline of jurisdiction between federal and state regulatory authorities. The location of the borderline may depend upon the existence of key statutes in various states, or possibly upon the administration of statutes by the insurance departments. Changes in state statutes or administrative enforcement since the time to which the complaints relate could mean that jurisdictional lines drawn on the basis of the present complaints would not be applicable in the future.

Continuing existence of the complaints has had these unconstructive results: They have stirred up feeling in the emotional area of federal vs state regulation; resulted in adverse publicity against specific insurers who no longer may be using the practices complained against; cast a cloud to some extent over the whole field of private health insurance at a time when the administration is seeking to encourage development of the field; and, pending resolution of the complaints, there is an area of uncertainty around the process of insurance advertising.

The uncertainty is unfortunate if it is recognized that private health insurance is a socially desirable service and that advertising can play a constructive part in spreading its effectiveness.

There can be no question that some advertising of sickness and accident policies has given to prospective applicants an impression of coverage materially greater than that which the policy actually provides, and action to curb any such exaggerated advertising has been needed," said Mr. Farley. In that context, the advertising rules adopted recently by National Assn. of Insurance Commissioners serve a constructive purpose.

The rules are more strict in some respects than they might have been if they had been drawn in less of an emergency atmosphere, Mr. Farley said. Experience may show they go too far in some directions, inhibiting the proper and desirable function of advertising in helping to sell a good product. Even if experience does prove the need for editing, however, the rules represent an important landmark in industry responsibility and in constructive cooperation between the business and

state regulatory officers.

The most effective progress toward improving performance and solving regulatory problems is made when insurers and commissioners sit down together to define objectively the problems and consider the best ways of reaching solutions. The relationship between in-

surers and commissioners has never been more objective, cooperative and constructive than it is today, he said.

The uniform fair trade practices act, under which it is proposed that the advertising rules be promulgated, calls for definition of standards by administrative judgment rather than by legislative judgment. That is government by men. The business is faced with the problem of whether the means are justified by the end. There is a real quest-

(CONTINUED ON PAGE 17)

Gold Favors NAIC Advertising Code

Insurance Commissioner Gold of North Carolina favors adoption of the advertising code for A&S recommended by National Assn. of Insurance Commissioners, but will hold a public hearing on it before it is placed in effect. The hearing will probably be held late in January or in February.

"I do not anticipate any opposition," Mr. Gold said.

POINTED at the needs of...



The Businessman

This brand-new policy is ideally suited to provide protection against a temporary business need. It offers the life insurance you need at a minimum rate.



The Young Family Man


This low-premium policy is designed for the young family man just getting started in his career — when life insurance needs are greatest and his budget is limited.



New MONEY 'TMT' Policy
offers \$10,000
of Life Insurance
at an initial rate of
Only 16¢ A Day!
(BASED ON AGE 30)

HIGHLIGHTS OF THE "TEMPORARY MODIFIED TERM":

- Sold in amounts of \$10,000 or more.
- Can be converted at any time during the 5-year period to the same amount of permanent insurance . . . without further evidence of insurability.
- Sample gross premiums, dividend illustrations and illustrative average net cost for \$10,000:



MUTUAL OF NEW YORK
THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK
Broadway at 53th Street, New York 19, N. Y.
Life Insurance—Accident and Sickness—Hospitalization—
Retirement Plans . . . FOR INDIVIDUALS AND EMPLOYEE GROUPS

	Gross Premium	Illustrative Dividends*
At Age 30		
First year	\$57.20	None
Second year	\$57.20	\$25.50
Third through fifth years	\$82.70	\$25.50
Illustrative net cost averages \$52.10 a year		
At Age 40		
First year	\$83.90	None
Second year	\$83.90	\$32.70
Third through fifth years	\$116.60	\$32.70
Illustrative net cost averages \$77.36 a year		

*Dividend illustrations are in no sense guarantees or even estimates of future dividends, which must depend on future experience and the annual action of the Company's Trustees.

INQUIRIES FROM BROKERS INVITED

MONEY TODAY MEANS MONEY TOMORROW!

N.Y. Life's President Looks Ahead 10 Years in Home Office Management Field

NEW YORK—In spite of labor saving devices minimizing the need for increases in employment due to expanding business, the life insurance industry will surely need even more people of higher caliber, said President Clarence J. Myers of New York Life in his talk in the symposium on the 10-year look ahead at the annual meeting here of Life Insurance Assn. of America. "We will have to staff our companies increasingly with men and women who are resourceful and adaptable, in order to meet the challenging decade ahead," he declared. He foresaw an increase in the present 200,000 salaried employees to at least 285,000 by 1976—accompanied by a further reduction in the present work week. Here is an abridged version of Mr. Myers' observation on phases of development that he regards as being of particular interest for the coming decade:

There has been much talk about the use of electronic machines. But the use



Clarence J. Myers

is only a small part of the story. The more challenging aspect of automation is the creation of new jobs—jobs for people with special skills. Automation means more thought must be given to analysis, organizing, and programming. It means people doing things only people can do. With fewer employees engaged in routine clerical tasks and more of them in jobs requiring special skill, the next decade will bring us a great general upgrading of work.

But there is "nothing automatic about automation." It will require careful planning, training, and new programs of recruiting. And the personnel requirements must be prepared for many months in advance.

Moreover, even without installing new machinery, life insurance companies are sure to feel the impact of automation. The mere effort to find possible applications for electronic machines will lead us to studies of our present procedures which will uncover many opportunities for doing things better. The emphasis on procedural studies will, in itself, create an added demand for creative-minded people.

Improved type of communication: Looking ahead, I think it is pretty clear that the signs point to better communication with the outside world. In view of the growth of our business and the problems which will arise with new

and increased activities and the growing questions posed by federal and state relationships, it is hardly necessary to add that it will be to our advantage to have more people know more about us.

We will, in my opinion, be publicizing less of a statistical picture of the life insurance business and to a greater degree than ever before we will be portraying the human side of life insurance—the service aspect of our business.

Bringing in the best young people:

Attracting top-flight college graduates is a problem which I think will have to receive more and more attention. Competition with the recruiting programs of other industries is becoming keener. College graduates know all too little about the career opportunities that exist in our business. Those not interested in selling or in actuarial work or in the investment side of the business are inclined to dismiss our industry from their minds, believing we have no other activities except routine paperwork.

One of the tasks of home office management during the next 10 years will be to dispel this illusion. I think we will be doing a more thorough job of acquainting the public with the nature of our business, and we will be doing it with especial thoroughness on the college campuses. We will be telling young people and their advisers more about the interesting careers that we have to offer, in a wide variety of occupations such as accounting, systems planning, statistical analysis, personnel administration, public relations, underwriting, claims, general administration, law and medicine.

Some companies are already following a program of bringing in select

groups of college graduates for a year or two of orientation in the life insurance business. Through rotation of assignment from one department to another, the program can give each participant a good bird's-eye view of the whole business and prepare him for eventual concentration in the area where he fits best, with the advantage of having a broad knowledge of the business as a whole. The program is not necessarily confined to college graduates. In many cases any employee who demonstrates a sufficient range of aptitudes is eligible to participate. I think we will see and must see a wider use of programs of this nature.

I mentioned actuaries a moment ago—we all know of the serious shortage. Personally I hope that in the not too distant future the insurance companies will cooperate in raising funds which will provide attractive scholarships for young men and women who will study to become actuaries. Unless we take positive action we are going to find ourselves in a serious position.

Training: It is not much of an exaggeration to say that even a few years ago the management of the typical life insurance company was concentrated in the hands of a few key men. Such leaders were supposed to emerge automatically from the ranks. As long as the business remained of a size and simplicity to receive detailed direction from a few men at the top, the system produced enough natural leaders. Upon occasion, when a company lacked a management replacement, a top executive could be hired away from another company. But programs of management development, as we know of them today, were unheard of.

These changes will surely continue into the next decade, and beyond. Tomorrow's team of managers will have to be able to do new and different jobs. The problem of meeting future needs can neither be left to chance nor solved by leaving replacements to chance.

In the decade ahead, we will see more and more companies studying their future requirements for managers. There will be more taking stock of the supply of potential managers among the younger employees in our companies. There will be more conscious training for management. This training will include job rotation, committee

work, and exposure to the practices of other industries in order to develop breadth of view and flexibility of mind. In keeping with this trend, I think we will all be looking for ideas beyond our own industry to an increasing extent.

To sum up these highlights of trends in training, I would say that we are working toward a clearer appraisal of what future executives will need to know, and toward better ways of making it possible for people to acquire the necessary knowledge. Figuratively speaking, the difference between the old and new ways of securing managerial manpower is like the difference between buying a single insurance policy and adopting a comprehensive insurance program.

Compensation: In view of the growing competition for top-flight people, I foresee growing problems in attracting and holding our share.

In the past we led the way in pension plans, fringe benefits of various kinds—free luncheons, generous vacation allowances, holidays, group insurance and job security, and hence had much to offer.

The parade in this area has caught up with us and in some cases has passed us. We have lost some of our initial advantage.

At the same time top-flight managerial talent commands top pay. The tax situation makes pure salary increases less attractive. Other industries can offer many added inducements, including purchase of stock and deferred compensation plans.

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One company, and there are no doubt others, has appointed a high level committee to take the look ahead for five years, 10 years, 25 years, with a view to trying to get some answers to such questions as:

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What are its potentials and markets?

Where does it wish to concentrate?

What is likely to be its growth?

How large does it want to be?

How large can it afford to be?

Creative thinking: There are many forces tending to make the life insurance industry more dynamic. New opportunities for broader service seem to arise with increasing frequency—both from changes in the market and from changes in technology. To take full advantage of these opportunities our industry must be staffed with more and more creative people—men and women who can think beyond the areas of past experience. During the coming decade, I believe we will feel the need for more creative thinking in all departments and at all levels.

Management can encourage creative thinking in many small ways, the cumulative effect of which can be considerable. I see greater use of conference techniques, a breaking down of departmental barriers, more sincere welcoming of suggestions and more ample recognition of good suggestions. But basically, the inquiring mind and the resourceful spirit thrive in a certain kind of atmosphere. It must be an atmosphere in which "thinking is a popular activity, and original thinking is an honored one."

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All we ask is proved production ability. If you have what it takes, your opportunities with Western are unlimited. An old line company with new line ideas about compensation and recognition. Your confidence respected. Write us today.



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The law provides that if a person who owns all the stock of a corporation sells part of his stock to the corporation it is not a bona fide sale—since he still owns all the stock there is—and hence the money he gets is really a dividend, taxable as ordinary income, and not at capital gains rates.

Under the so-called constructive ownership rule, the internal revenue code provides that if an executor owns part of a company and an estate beneficiary also owns part of it, the estate is regarded as owning not only its own shares but those belonging to the beneficiary as well. Hence, even though the estate sold to the corporation all the stock it actually owned, the money so obtained would be regarded as a dividend and taxable as ordinary income.

For example, a father and son own 50% each of a corporation's stock. The father has arranged that at his death the corporation will buy out his interest or directs in his will that the shares be redeemed. He also has made a bequest of some other property to his son. Under the regulations as they stood until the recent change, the executor would be regarded as owning not only the estate's stock but the son's. This would mean that the redemption transaction would be subject to tax as a dividend apart from any estate tax.

The relief now provided by the regulation is that after a beneficiary has received his bequest or devise he will no longer be regarded as an estate beneficiary. Therefore, an executor who discharges all his obligations to the estate beneficiary—in this case the son—will not thereafter be the constructive owner of the beneficiary's stock. He can go ahead and have the estate's stock redeemed. Since such stock will be valued as of the decedent's date of death there would be little chance of any appreciable capital gains tax in the short time between the decedent's death and the redemption of the shares owned by the estate.

To the extent practicable, attorneys should draw the executor's attention to this situation by an appropriate clause in the client's will or by setting a "time element" for the sale in the buy-sell agreement, or both, according to Mr. Huber. Admittedly this may have some awkwardness but is the only sure way of alerting those charged with effectuating the client's objectives.

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Final Expense and Re-adjustment Plan



Widow Life Income Plan



Retirement Plan



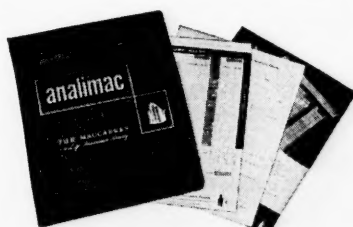
Collage Insurance Plan



Family Income Plan

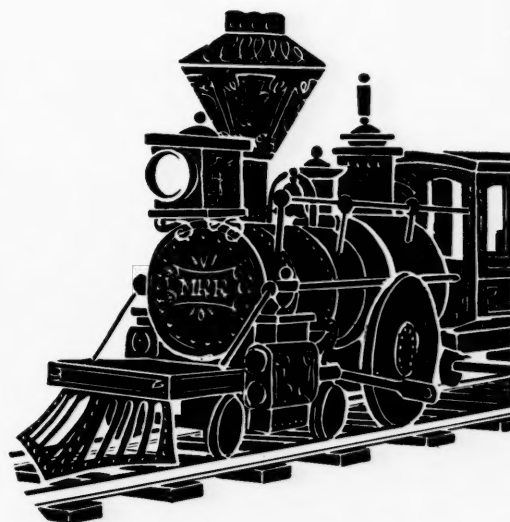


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Packed with motivation, each sales package serves as a guide for the agent to follow in meeting the specific needs of his prospects.

To complete each insurance sales package, the Maccabees Agent also receives direct mail FREE. He doesn't even pay postage costs.

If you have been looking for a "track to run on," write to Robert O. Shepler, Field Director. There are excellent opportunities for rapid advancement in many territories of the United States and Canada.

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Detroit 2, Michigan



OFFICES IN PRINCIPAL CITIES OF THE UNITED STATES AND CANADA

N.Y. Life's President Looks Ahead 10 Years in Home Office Management Field

NEW YORK—In spite of labor saving devices minimizing the need for increases in employment due to expanding business, the life insurance industry will surely need even more people of higher caliber, said President Clarence J. Myers of New York Life in his talk in the symposium on the 10-year look ahead at the annual meeting here of Life Insurance Assn. of America. "We will have to staff our companies increasingly with men and women who are resourceful and adaptable, in order to meet the challenging decade ahead," he declared. He foresaw an increase in the present 200,000 salaried employees to at least 285,000 by 1956—accompanied by a further reduction in the present work week. Here is an abridged version of Mr. Myers' observation on phases of development that he regards as being of particular interest for the coming decade:

There has been much talk about the use of electronic machines. But the use



Clarence J. Myers

is only a small part of the story. The more challenging aspect of automation is the creation of new jobs—jobs for people with special skills. Automation means more thought must be given to analysis, organizing, and programming. It means people doing things only people can do. With fewer employees engaged in routine clerical tasks and more of them in jobs requiring special skill, the next decade will bring us a great general upgrading of work.

But there is "nothing automatic about automation." It will require careful planning, training, and new programs of recruiting. And the personnel requirements must be prepared for many months in advance.

Moreover, even without installing new machinery, life insurance companies are sure to feel the impact of automation. The mere effort to find possible applications for electronic machines will lead us to studies of our present procedures which will uncover many opportunities for doing things better. The emphasis on procedural studies will, in itself, create an added demand for creative-minded people.

Improved type of communication: Looking ahead, I think it is pretty clear that the signs point to better communication with the outside world. In view of the growth of our business and the problems which will arise with new

and increased activities and the growing questions posed by federal and state relationships, it is hardly necessary to add that it will be to our advantage to have more people know more about us.

We will, in my opinion, be publicizing less of a statistical picture of the life insurance business and to a greater degree than ever before we will be portraying the human side of life insurance—the service aspect of our business.

Bringing in the best young people: Attracting top-flight college graduates is a problem which I think will have to receive more and more attention. Competition with the recruiting programs of other industries is becoming keener. College graduates know all too little about the career opportunities that exist in our business. Those not interested in selling or in actuarial work or in the investment side of the business are inclined to dismiss our industry from their minds, believing we have no other activities except routine paperwork.

One of the tasks of home office management during the next 10 years will be to dispel this illusion. I think we will be doing a more thorough job of acquainting the public with the nature of our business, and we will be doing it with especial thoroughness on the college campuses. We will be telling young people and their advisers more about the interesting careers that we have to offer, in a wide variety of occupations such as accounting, systems planning, statistical analysis, personnel administration, public relations, underwriting, claims, general administration, law and medicine.

Some companies are already following a program of bringing in select

groups of college graduates for a year or two of orientation in the life insurance business. Through rotation of assignment from one department to another, the program can give each participant a good bird's-eye view of the whole business and prepare him for eventual concentration in the area where he fits best, with the advantage of having a broad knowledge of the business as a whole. The program is not necessarily confined to college graduates. In many cases any employee who demonstrates a sufficient range of aptitudes is eligible to participate. I think we will see and must see a wider use of programs of this nature.

I mentioned actuaries a moment ago—we all know of the serious shortage. Personally I hope that in the not too distant future the insurance companies will cooperate in raising funds which will provide attractive scholarships for young men and women who will study to become actuaries. Unless we take positive action we are going to find ourselves in a serious position.

Training: It is not much of an exaggeration to say that even a few years ago the management of the typical life insurance company was concentrated in the hands of a few key men. Such leaders were supposed to emerge automatically from the ranks. As long as the business remained of a size and simplicity to receive detailed direction from a few men at the top, the system produced enough natural leaders. Upon occasion, when a company lacked a management replacement, a top executive could be hired away from another company. But programs of management development, as we know of them today, were unheard of.

These changes will surely continue into the next decade, and beyond. Tomorrow's team of managers will have to be able to do new and different jobs. The problem of meeting future needs can neither be left to chance nor solved by leaving replacements to chance.

In the decade ahead, we will see more and more companies studying their future requirements for managers. There will be more taking stock of the supply of potential managers among the younger employees in our companies. There will be more conscious training for management. This training will include job rotation, committee

work, and exposure to the practices of other industries in order to develop breadth of view and flexibility of mind. In keeping with this trend, I think we will all be looking for ideas beyond our own industry to an increasing extent.

To sum up these highlights of trends in training, I would say that we are working toward a clearer appraisal of what future executives will need to know, and toward better ways of making it possible for people to acquire the necessary knowledge. Figuratively speaking, the difference between the old and new ways of securing managerial manpower is like the difference between buying a single insurance policy and adopting a comprehensive insurance program.

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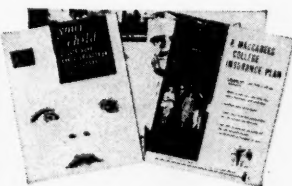
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College Insurance Plan



Family Income Plan

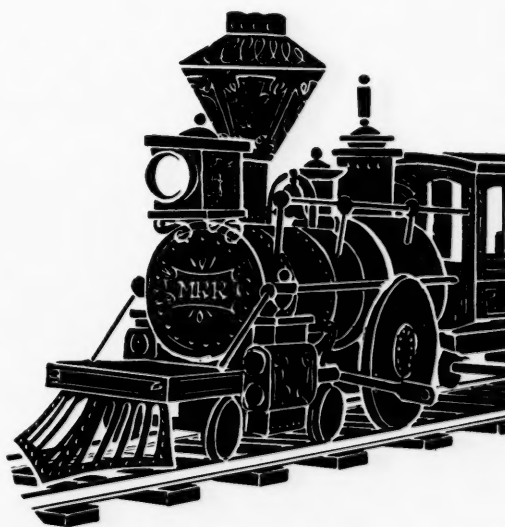


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NEW YEAR - OLD RESOLUTIONS

OCCIDENTAL began writing Total Disability in 1919. We have written it continuously—and successfully—ever since.

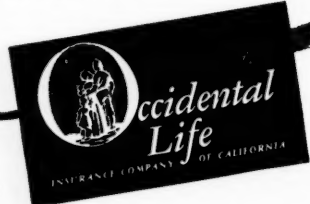
Early in our experience, and annually thereafter, we resolved to write Total Disability that would be non-cancellable. We still do.

We likewise resolved to provide T D benefits that would continue during disability for life—on all life and level term plans. We still do.

We resolved to underwrite our Total Disability carefully—but not exclusively. We still do . . . A survey of 524 recently issued Occidental policies showed better than 64% qualified for Total Disability!

So—for this new year—old resolutions, but good ones. In fact, good as new!

"A Star in the West..." ☆



HOME OFFICE - Los Angeles
W. B. STANNARD, Vice President

"WE PAY AGENTS LIFETIME RENEWALS... THEY LAST AS LONG AS YOU DO!"

Warns That Coverage by Bank, Group Sales May Cut Commissions

The agent should ask and expect compensation for services he performs, but he must be careful about demanding compensation for services he has not performed, Eber Spence, vice-president, American United Life, told members of Indianapolis General Agents & Managers Assn.

"It is entirely possible that the next decade will see a reduction in commissions, more sales through bank accounts, more group, and, perhaps, even over-the-counter selling," Mr. Spence predicted. "However, the opportunity for the sale of life insurance is so great that the field man can continue to operate at a profit despite inroads. As long as we have good field generals, the agency system will live."

Mr. Spence declared that general agents and managers are the real source of progress in the life business. "Every new coverage or adaptation of coverages has come from the field," he stated. "The field is in contact with buyers and knows what they want. The demands of the general agents and managers on companies—which tend to fight change—result in progress in the business."

"Even the type of leadership the field receives from the home office is a result of the thinking of general agents and managers. It is up to them to demand the company supply the kind of leadership they want."

Franklin Pays Yule Bonus

About 900 home office and field employees of Franklin Life received Christmas bonus checks. One-quarter of a month's salary was given to employees with a year's service or more, with proportionate amounts going to those with shorter service periods.

Life Expectation Gains in N. Y.

Expectation of life at birth in New York was 66.3 years for white males and 71.3 years for white females in 1950, according to Metropolitan Life. This is a gain of 3.4 years for males and 4.3 years for females over 1940.

Comparable figures for the U.S. as a whole were 66.3 years for males and 72 years for females in 1950, according to national office of vital statistics, U.S. public health service.

Union Central Raises Winter, Bary, Hirons; Others Get Higher Posts

Union Central Life has named as 2nd vice-presidents Harold P. Winter



Harold P. Winter

Adolph W. Bary and Frederic C. Hirons. They will head three expanded sales department divisions. Mr. Winter will be in charge of both ordinary and group sales, Mr. Bary will be responsible for agency finance, budgets, and physical locations for field offices and Mr. Hirons will head a new division responsible for sales development.

Three assistant superintendents of agencies were promoted to assistant vice-presidents. They are Harrison P. Warrenner, Clyde W. Ferguson and Myron D. Jones.

In addition, Richard S. Rust Jr. was advanced from first assistant secretary to assistant vice-president and L. S. McCrosky from group consultant to supervisor of group sales.

Mr. Warrenner has been assistant agency vice-president for nine years and before that was assistant superintendent of agencies at the home office.



Adolph W. Bary



Frederic C. Hirons

from 1936 to 1946. He previously was manager at Davenport, Ia., for several years.

With the company since 1918, Mr. Bary has been assistant superintendent of agencies since 1943.

An agent at Cincinnati since 1950, Mr. Hirons has been a member of Union Central's \$500,000 club for five years, and now is its second ranking producer nationally. He is president of Cincinnati CLU chapter and a life member of the Million Dollar Round Table.

Mr. Warrenner has been assistant superintendent of agencies since 1946. Before that he served in the insurance and agency departments.

Mr. Jones joined the company in 1942 as editor of *Agency Bulletin*, the company's sales magazine. He was advanced to the agency position in 1951.

Mr. Ferguson started as assistant editor of the *Agency Bulletin* in 1928, became editor in 1934 and assistant agency superintendent in 1946.

Mr. Rust was elected first assistant secretary in 1951. He served in the financial and insurance departments before 1947, when he was elected assistant secretary. He has served on the executive committee of Institute of Home Office Underwriters.

Mr. McCrosky joined the company in 1951 when it began writing group. He had a wide previous experience in that field.

Why?

Security Life is on the move! Alert agents are enjoying great success with Security. And... there are many reasons. Among them are new, tailor-made plans and proposals for your business insurance clients.

Look

at the new features offered by Security:

NEW TERM PLANS

\$25,000 minimum, age 35, \$6.18 per thousand. Proportionate rates all ages including 6 and 11-year term!

PRESIDENT'S TEN PLUS

A \$10,000 participating policy with new and unusual "fifth dividend" option.

\$25,000 MINIMUM ORDINARY

Terrific low net cost designed for your premium-conscious Mr. "Big."

Security offers Lifetime Disability Income—Life Plus Time—Non-Can. A. & S. Top commission contracts and non-forfeitable renewals.

Security Life's Research of Public Needs maintains constant research to find out what the public needs in insurance. Just like the design of furniture, clothing, home appliances or automobiles, this research activity builds plans which are already wanted by insurance buyers.

General agent and agent franchises available in all states west of the Mississippi. A "Best" recommended company. Write: J. F. Johns, First Vice President.

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Life & Accident
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Insurers Must Get OK in Indiana on Old Agent Courses

All life agent training courses being used or to be used in qualifying men for permanent Indiana licenses must be submitted or resubmitted to the department for approval in light of the new minimum requirements for such courses, issued by the department last month. Commissioner Davey made this statement in further clarification of the new requirements, carried in complete form in the Dec. 16 issue of THE NATIONAL UNDERWRITER.

"In effect," the commissioner said, "the new minimum requirements rescinded all approval given courses prior to Dec. 13. Regardless of whether a company has previously submitted its courses and received approval, it must now resubmit one copy to be approved for compliance with the new requirements."

Mr. Davey also reported that the department will appraise course text material for literal compliance with the minimum requirements. "Every point in the requirements must be covered in the text material and must be covered adequately," he said. "We cannot approve a course which is deficient on a 'promise' that 'those points will be brought up in the training program.' All points must be covered in the text material itself, or in a supplement thereto; and all courses must be supplemented with the substance of the Indiana statutes named in the minimum requirements."

Mr. Davey explained that the department does not expect training courses developed for use in a number of states to contain an integral section on Indiana law. "Mimeographed pages prepared by the companies' own legal departments are entirely sufficient," he stated. "We are more interested in seeing pages which explain the law in language the agent will understand than in mere copies of the statute."

The commissioner assured companies there will be little or no delay in getting departmental action on courses submitted.

Under the procedure of the Indiana department, an applicant will be issued a temporary life license, good for six months. Within that time he must complete an approved course of study and his company must certify to the department that he completed it and has evidenced satisfactory absorption of the material. This absorption is to be evidenced by a completed questionnaire or an examination administered by the company, and the evidence, in the agent's own handwriting, must be retained by the company for three years, subject to inspection by the department.

There is no similar provision in Indiana for A&S licensing. All agents wishing to write A&S must pass a written departmental examination. Life licenses are not valid for the sale of A&S.

Peithman New President of Olympic National Life

E. F. Peithman, formerly vice-president of Olympic National Life of Seattle, has been named president of American Guaranty of Portland, Ore. He succeeds Darrell W. Wade who becomes chairman. Frank L. Emery, former deputy commissioner of Oregon, continues as executive vice-president,

and Dale L. Woodruff as agency vice-president.

Mr. Peithman was a partner in the law firm of Bernstein & Peithman at Portland before entering insurance in 1941 with Northwestern Life of Seattle. He later managed an agency there, Cooley & Co., and then from 1942 to 1944 was president of Pacific General Agency of Seattle. He went with Olympic National in 1944.

American Guaranty, formed in 1952, during the first six months of 1955 registered an increase in new business of 400% over that for the same period of 1954.

Gray New Maine

Department Examiner

Irving R. Gray of Hallowell has joined the Maine insurance department as an examiner. He has been with an agency in Augusta since June. Previously he was with Liberty Mutual at Boston and General Adjustment Bureau at St. Johnsbury, Vt.

Harold E. Mayo of Augusta will retire in April after nearly 20 years with the department as an examiner. He was previously with Travelers as an auditor.

AFL-CIO Maps Drive to Organize Office Workers of Insurers

ST. LOUIS—Organization of insurance company office workers will be a chief objective of the 15 million member AFL-CIO union as part of an unprecedented organizational drive during 1956.

This was admitted recently by John W. Livingston, director of organization for the AFL-CIO, who was in St. Louis for a dinner gathering of a UAW local. The drive, to start early in February, is slanted primarily at white collar workers, including the office workers of all types of insurers.

A staff of 320 organizers reportedly has been engaged in studying the possibilities of the big drive. The AFL-CIO unions have set aside "many millions" of dollars to finance the drive.

"The white collar workers offer a great potential, one that is growing increasingly significant with the develop-

ment of automation in office work," Livingston stated. "In the past it has been difficult to organize office workers. It has been a slow process but I am confident that the time has come to expedite it," he added.

Court Enjoins Union Ban on Certain Pru Practices

Prudential was granted a preliminary injunction by Federal Judge Brooks at Louisville in its suit against Insurance Agents International Union. The company contended union demands would interfere with certain business practices.

The union at a meeting in Louisville last May passed resolutions preventing members from attending company conferences unless all agents were invited, banned acceptance of production prizes, requested agents' reports to the company be filed through a grievance committee, and that a grievance committee be present when an employee is interviewed by his staff manager.

Prudential argued that the bans were aimed at practices that had been in effect for decades.

Security-Connecticut Life has been licensed in California.

LIFE WITH PROVIDENT

ANOTHER RECORD

Again in 1955 Provident's ordinary life insurance production surpassed by a sizable margin all previous records for a 12-month period. The production itself—in both volume and quality of business—is a tribute to the field force organization. To each Provident producer we say a very sincere "Thank you."



PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY

Chattanooga—Since 1887

LIFE ACCIDENT SICKNESS HOSPITAL SURGICAL MEDICAL

DOWELL TELLS TEACHERS:

Agency Head Is No. 1 Controlling Factor in Any Real Expansion of Sales Volume

NEW YORK—In order to achieve any real expansion in total volume of life insurance business it is absolutely essential to multiply the quantity and effectiveness of field manpower and "the branch office manager or general agent is the No. 1 controlling factor in this growth process," according to Dudley Dowell, executive vice-president of New York Life.

Speaking in a symposium of the American Assn. of University Teachers of Insurance, Mr. Dowell said that developing procedures for selecting and training managers has become the most important job of every company's chief agency officer.



Dudley Dowell

"If this is the super-highway to growth," he asked, "why wasn't a field management development program worked out long ago? Perhaps the answer may be in three observations:

"First, the home offices were long preoccupied with the problem of selecting and training agents. A good 20 years of research went into this before it became apparent that research could also be useful in the selection and training of managerial timber.

"Second, as a result of this attention to agent selection and training procedures, home offices took over much of the work which was rightfully and properly the manager's. This made it all the more difficult to find and motivate good managers.

"Third, the home offices were slow to realize that a top-flight salesman does not automatically turn out to be a top-flight manager."

"We in the life insurance business have only recently begun to recognize that the development of top-flight managers requires a plan, a carefully worked out procedure; it takes time; it costs money; but it can pay the largest return of any investment a life insurance company can make. Our own current emphasis on management development is therefore very great—partly to make up for lost time, and partly because expansion of the field sales force is a most urgent necessity if life insurance is to find its rightful place in our fast-growing, competitive economy.

"I can sum up these observations in very few words. The new competitive framework includes an unusually receptive market and an attitude of determination to make the most of it. The market can be reached adequately only through expansion of the quantity and quality of the agency force. We have begun to recognize the necessity of decentralizing responsibility for this expansion. Recruiting and training must be accomplished by field management rather than by home offices. The number one home office job is developing more and better agency managers."

Weitz and Whitney Promoted by LIAMA

LIAMA has advanced Joseph Weitz to associate director of research and Alfred G. Whitney to assistant director of research.

Mr. Weitz has been a research associate since 1951, specializing in train-



Alfred G. Whitney



Joseph Weitz

ing and field research. He previously taught psychology at Carnegie Institute of Technology and Tulane university.

Mr. Whitney has been a research associate since 1949. He previously taught high school and was with the division of foreign service personnel of the State Department.

Mr. Weitz will supervise research units in selection and evaluation of agents and managers, company practices, training, opinion and attitude. Mr. Whitney will head the statistical department and supervise market and statistical surveys.

Marschalck, 77, Wins Aetna A&H Campaign

A. C. Marschalck, 77, New York City, has won first place in an A&H production campaign conducted by Aetna Life.

Mr. Marschalck, who joined the company in 1928, specializes in A&H and has many clients in the city's furniture district. Despite his years and a heart attack suffered several years ago, he seldom misses a day's work. He once set a record of nearly 500 consecutive weeks in which he wrote at least one new policy a week.

His son-in-law, Gilbert V. Austin, is general agent of Aetna Life in Brooklyn and his grandson, G. Turner Austin, recently entered the business.

List 1956 Committees, Chairmen for ALC-LIA

American Life Convention and Life Insurance Assn. of America have named chairmen of standing committees for 1956 for their respective organizations and for the joint committees.

ALC committees and chairmen are: A&S—Robert L. Maclellan, Provident Life & Accident; actuarial—David G. Scott, Continental Assurance; agents and agencies—Walter G. Voecks, Lutheran Mutual Life; company relations—H. Clay Evans Johnson, Interstate Life & Accident; convention meetings—Charles E. Phillips, Equitable Life of Washington, D.C.; coordination of activities—Byron K. Elliott, John Hancock.

Departmental supervision—H. O. Fishback Jr., Northern Life; finance—L. D. Cavanaugh, Federal Life; home office administration—Laurence F. Lee Jr., Peninsular Life; insurance regulation—Daniel J. Reidy, Guardian Life; investment problems—Richard D. Nelson, Colonial Life; medical examinations—Dr. Ed M. Stevenson, State Farm Life; program—Joseph M. Bryan, Jefferson Standard Life; representation on health insurance council—J. C. Archibald, Bankers Life of Iowa; resolutions—Clarence A. Jackson, American United Life; uniform laws—William R. Shands, Life of Virginia; board of regents, life officers investment seminar—Clariss Adams, ALC.

LIA committees and chairmen are: Auditing—Elder A. Porter, Manhattan Life; budget—O. Kelley Anderson, New England Mutual Life; coordination of activities—Clarence J. Myers, New York Life; health insurance council—C. Manton Eddy, Connecticut General Life; investment research—Donald C. Slichter, Northwestern Mutual Life; membership—L. D. Cavanaugh, Federal Life; nominating—Louis W. Dawson, Mutual Life of New York; program—James A. McLain, Guardian Life.

Joint ALC-LIA committees and chairmen are: Blanks—N. M. Hughes, National Life & Accident; economic policy—Carroll M. Shanks, Prudential; federal income taxation of life companies—Robert L. Hogg, Equitable Society; government employee group insurance—Frazar B. Wilde, Connecticut General Life; group insurance—Clarence H. Tookey, Occidental Life of California; individual A&S—John H. Miller Monarch Life.

Legislative committee—John Barker Jr., New England Mutual Life; pensions—Robert W. Hamilton, Penn Mutual Life; practice of law—H. S. Redeker, Fidelity Mutual Life; premium taxation—Everett Crilly, Lincoln National Life; social security—Leigh Cruess, Mutual Life of New York; valuation of assets—Frank J. Traver, American United Life; withholding and information at source—Joseph A. Kelly, Columbian National Life.

"I NEVER GAVE IT MUCH THOUGHT"

You should, Mister Agent . . .

Our training, topnotch sales aids

and individualized policies to

meet individual needs are

designed to make

more money for you under

PAN-AMERICAN'S

CAREER CONTRACT



PAN AMERICAN
LIFE INSURANCE CO.



NEW ORLEANS, U.S.A.

CRAWFORD H. ELLIS
President
EDWARD G. SIMMONS
Executive Vice-President
KENNETH D. HAMER
Vice-President &
Agency Director

**BANK LOANS
ON VESTED
RENEWALS**

THREE OR FOUR
YEAR REPAYMENT

**UNDERWRITERS CREDIT &
GUARANTY CORPORATION**

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Strong Protests at First Hearing to Mich. Blue Cross Rate Hike

LANSING—Commissioner Navarre of Michigan recessed until this week a hearing on a proposed Blue Cross rate increase after considerable testimony was taken at an initial session during the past week. He agreed that notices of the hearing date, delayed by the holiday mail, had left some of the protesting witnesses, chiefly labor union spokesmen, too little time to prepare their cases against the raise.

Meanwhile Walter Reuther, United Automobile Workers-CIO president, who did not attend the hearing in person, issued another statement criticizing the proposal of Michigan Hospital Service executives that a rate boost of 23.1% be authorized by Commissioner Navarre.

Mr. Reuther said his union was urging that Gov. Williams name a committee "to evaluate Blue Cross and other programs under which hospital and medical care are furnished in this state." He said Blue Cross management "has done little, if anything, to meet the basic cost problem by attempting to control the cost of prepaid hospitalization."

"There is no question that Blue Cross is in a poor financial position right now," Mr. Reuther conceded, "nor is there any doubt that by next spring a reserve that is now too small will be even less adequate. Nevertheless if the plan continues to do nothing to bring incentives to real economy into hospital operations, if its benefit structure continues to stagnate, and at the same time if it passes on to consumers an endless succession of rate increases necessitated, in part, by its failure to deal with its essential problems, then this plan, although it is one of the biggest voluntary, non-profit health programs in the United States, will fail to meet the health needs of the Michigan people on a prepaid, pre-budgeted basis."

More than 30 persons attended the first hearing session, including union and farm grange spokesmen opposing the boost, while Blue Cross officials, headed by William S. McNary, Michigan Hospital Service executive vice-president, sought to justify the increase. Increased utilization of hospital facilities by plan members and increased costs, partly due to higher expense of new drugs and to more highly skilled and better-compensated technicians, were cited in behalf of the rate plea. Among those testifying for the plan's petition were hospital administrators who enumerated elements in higher hospitalization expense.

Philadelphia Life Names Garland to Agency Post

Joseph F. Garland has been named assistant superintendent of agencies of Philadelphia Life. Mr. Garland, in the business 30 years, has been at the home office since early this year.

Security Mutual Life Sales Are \$43.7 Million

Security Mutual Life of Binghamton ordinary life paid for business in 1955 was \$43.7 million, an increase, with a high average size premium. Individual A&S premium income was up 35%.

Leading personal producer was Irwin M. Flaster, Newark, who sold \$1.8 million. Leading agency was the Harold D Farber agency at Buffalo, with

a life production record of \$4,296,000 and \$325,000 in new A&S premiums. The Garot Christman agency at Green Bay, Wis., was second leading agency.

Hearings on Proposed N.Y. Laws Start Jan. 12

NEW YORK—A series of informal hearings on proposed insurance legislation will be conducted by Superintendent Holz of New York at the department's New York City office, 61 Broadway. Those dealing with life companies, fraternal organizations, and pension and retirement systems will be Jan. 12-13. Hearings will start at 10 a.m.

Hearings will provide an opportunity to comment on legislative recommendations contemplated by the department as well as to submit proposals for changes in or additions to the insurance law. The department has asked that members of the insurance industry submit six copies of all recommendations at least a week in advance of the oral presentation.

James T. Stein, formerly with Zurich and Home Life at Chicago, has joined Occidental Life of California there as assistant brokerage manager.

1955 Year of Sales Records in Canada

Life insurance in force in Canada reached \$25.2 billion at the end of 1955, an all-time high, and records also were set in new sales and benefit payments during the year, according to E. C. Gill, president of Canada Life and of Canadian Life Insurance Officers Assn.

New sales in 1955 are expected to exceed \$3 billion, Mr. Gill said. This compares with sales of barely more than \$1 billion only a decade ago. Canadian policyholders now number about 6½ million. The insurance in force for 10 years ago was \$9.7 billion. Today's protection exceeds \$6,400 per Canadian household, as against \$3,200 at the close of 1945.

Benefit payments at the end of 1955 exceeded \$325 million, twice the 1945 total, with \$195 million going to living policyholders.

Mr. Gill said insurance company holdings of government of Canada bonds now totals slightly less than half the corresponding figure at the end of 1950. Because of the rapid

increase in the construction of new housing, mortgage loans have occupied an increasingly important place in investment portfolios. Mortgage loans on existing and new residential properties totaled some \$470 million in 1955, an increase of approximately \$50 million. In addition, the companies have made substantial mortgage investments in the field of commercial and industrial construction.

Mr. Gill said nearly 6½ million Canadians were covered by voluntary insurance against hospital expenses at the close of 1955, representing 48% of the population not covered by compulsory government hospital plans. In addition, nearly 5½ million Canadians have surgical expense insurance, while approximately 4½ million are protected by medical expense insurance. In the early 1940s only about half a million Canadians had hospital expense insurance, and less than half that number surgical and medical expense insurance.

Occidental of California has adopted the new attending physician's statement GD-1, developed for the group A&H industry by Health Insurance Council.

HERE WE GO AGAIN . . .

We have just finished our greatest year.

Now here we go into 1956, with our Field force at its all-time peak in both number and ability, and naturally we expect this year to be better than last.

Hope yours is too.



THE
NATIONAL LIFE
AND ACCIDENT
INSURANCE COMPANY
HOME OFFICE - NASHVILLE, TENNESSEE

U. S. Life Companies Invest \$6.5 Billion in Mortgages in '55

U. S. life companies invested an estimated \$6.5 billion in mortgages in 1955, up \$1.2 billion, according to Institute of Life Insurance. The greater part of 1955 mortgage investment was for home building or buying.

Total mortgage investment of life companies at the end of the year is estimated at \$29.3 billion, up \$3.3 billion. The companies in 1955 had \$3.2 billion made available from previous mortgage holdings through amortizations, prepayments and maturities.

Current mortgage investment of life companies is \$22.5 billion greater than at the end of 1945. The housing portion of the investment represents homes for several million families.

Of the 1955 city mortgage acquisitions, \$3,225,000,000, or half, were conventional mortgages, with veterans administration mortgages accounting for the next largest block, one-fourth of the total. VA mortgages written under the "GI bill of rights" totaled \$1.8 billion in 1955, bringing total holdings of such mortgages to \$6 billion at the year-end.

Companies' conventional city mortgage holdings were estimated at \$14.6 billion at year-end, including home

mortgages on the conventional basis and commercial mortgages.

FHA mortgages bought by the companies in 1955 totaled \$900 million, bringing total holdings of FHA mortgages to \$6.3 billion at the year-end.

Life companies wrote \$525 million in farm mortgages, holdings in which totaled \$2.3 billion at the year-end, excluding \$25 million of VA farm mortgages in the VA listing.

Gansmiller Heads New Agency of Conn. Mutual

Connecticut Mutual Life has appointed Leo A. Gansmiller general agent for Long Island with new offices at 647 Franklin Avenue, Garden City, N.Y.

Mr. Gansmiller has been supervisor for the Flugelman agency of Connecticut Mutual in New York City since 1954 and has been in the business eight years. He is a CLU.

The new agency becomes the company's fifth in the metropolitan New York City area.



L. A. Gansmiller

Asks Actuaries to Hold Regional Conferences

William M. Anderson, president of Society of Actuaries and president of North American Life of Canada, encouraged development of regional meetings of actuaries to supplement the meetings of the society at a meeting in Indianapolis of 70 actuaries from Indiana, Ohio and Kentucky.

He said a good example of development of a regional organization among actuaries is the Actuarial Club of the Pacific States, which draws attendance from the west coast, mountain states and British Columbia.

Part of the Indianapolis meeting was conducted by Gordon McKinney, vice-president of Jefferson National Life, chairman of a special regional program committee. L. A. Norman, American United Life, president of Indianapolis Actuarial Club, presided.

North American Accident to Mark 70th Year

North American Accident of Chicago will hold its 70th anniversary conference on a national basis this year in Chicago Sept. 20-23, with headquarters at the Edgewater Beach hotel.

Business objectives of the convention will center on sales promotion and study of trends in the industry, but special activities commemorating the company's founding will be included. The national conference will substitute for the usual regional conference.

N. Y. Publishes Index On Examination Volumes

New York insurance department has published a cross-referenced index to its six-volume *Examination of Insurance Companies*. The 1,000 page index is the seventh volume of the work. The department says the index will serve as a practical reference in the consideration of any subject in case the volume in which it is treated is not readily available.

Miller to Mutual Benefit Post

Stuart K. Miller has been appointed unit manager of Salinger-Wayne agency of Mutual Benefit Life in New York City. Mr. Miller will develop and supervise a full-time unit. His entire life insurance career has been with the agency.

Great-West Life Advances Several at Home Office

Great-West Life has made several actuarial changes, Henry Bradshaw, formerly assistant actuary, advancing to associate actuary; J. M. Bragg and R. L. Jex, formerly assistant group actuaries, to associate group actuaries, and J. O. Parsonage and B. Popeski, formerly actuarial assistants, to assistant actuaries. All are fellows of Society of Actuaries.

In addition, A. K. Archer has been appointed A&H assistant, N. M. Bowman manager of group claims and H. A. C. Johnson tabulating methods assistant.

Both Messrs. Bradshaw and Bragg joined Great-West Life in 1945, and Mr. Jex in 1947. Mr. Parsonage has been with the company since 1950 and Mr. Popeski since 1942. Mr. Archer started with the company in 1950. Mr. Bowman in 1951 and Mr. Johnson in 1948.

Indiana Selection Men Elect White President

James A. White, Hoosier Farm Bureau Life, was elected president of Indiana Home Office Underwriters Assn. at a meeting at Indianapolis. The new vice-president is David C. Scofield, Indianapolis Life, and the secretary is Alice Carton, Jefferson National.

New committee chairmen are: Program, R. S. Worden, Lafayette Life; membership, Edward Block, Commercial Services, Inc.; public relations, James A. Madison, American United.

Parsons Heads Crown Life Philadelphia Group Office

Crown Life has opened a regional group office at Philadelphia with Carl E. Parsons Jr. as supervisor in charge. The office will service Pennsylvania, New Jersey, Maryland, Delaware and District of Columbia. Mr. Parsons has several years' experience in the group field.

Elect Crosby at San Antonio

C. T. Crosby, American General Life, is the new president of San Antonio Life Managers Club. W. E. Hall, Volunteer State Life, is vice-president and Philip Schroeder, Southwestern Life, secretary.

The Lewis agency at Columbus, O. was one of two Ohio State Life agencies producing more than \$1 million in October. Gene Collins of the agency, led individual producers, was named company man of the month and gained membership in the president's club.

LIFE AGENCY DIRECTOR \$30,000

A company with good financial stability and a desire to step out is looking for an agency director with drive, ambition and a proven record in production and management. If you have these qualifications this company will be anxious to discuss this position with you.

Of course, all correspondence is confidential.

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AMERICAN SETTLERS

*visionary in their thinking,
ruggedly practical in their work,
constant to their ideals . . .*

built a land that, in its richness, has
never been equalled by any civilization,
any empire, of any time.

The goal of the
Philadelphia Life Insurance Company
is that it can steadfastly add to our
Country's way of life by continually
practicing these virtues.

1906 - 1956

HALF A CENTURY OF SERVICE
TO THE PUBLIC



Philadelphia Life

INSURANCE COMPANY

111 NORTH BROAD STREET, PHILADELPHIA 7, PA.

William Elliott, President

Joseph E. Boettner, C.L.U., Vice-President

OVER A QUARTER OF A BILLION OF INSURANCE IN FORCE



American General
LIFE INSURANCE COMPANY

HOUSTON ★ TEXAS

B. N. WOODSON, CLU
President

FORD MUNNERYLYN
Vice President & Agency Director

Eight Mass. Insurers Cover State Employees for \$64 Million

BOSTON—Boston Mutual Life has been awarded the contract for group life and accidental death and dismemberment coverage for the state's 32,000 employees with seven other Massachusetts insurers participating in the case through reinsurance. They are Columbian National, John Hancock, Loyal Protective, Monarch, New England Life, Paul Revere, and State Mutual.

The plan is in effect from Jan. 1. Blue Cross-Blue Shield has been awarded the hospitalization and medical care coverage. The case involves some \$64 million of life insurance, one of the largest life insurance transactions ever written for a Massachusetts employer. The state pays half of the approximately \$4 million a year costs of the total program.

Earlier it appeared that the case might go to an out-of-state insurer, as Minnesota Mutual was the low bidder with a 90-cent rate on the life and AD&D. Other companies could not go below the \$1.20 minimum rate called for by the regulations in New York, which companies admitted in New York must follow wherever they do business.

However, the Massachusetts commission in charge of placing the business was anxious to have it handled by Massachusetts companies and the granting of the case to Boston Mutual followed numerous conferences and the obtaining of an opinion from the attorney-general.

Boston Mutual does not operate in New York and hence is not bound by the New York minimum rates. By accepting reinsurance from Boston Mutual, the other participating companies, all of which are licensed in New York, are accorded shares in the case without being held to be in violation of the New York rules.

Robinson Consultant on Communications

C. C. Robinson, who resigned Oct. 1 as vice-president of Columbian National Life to set up his own business, is acting as a communication consultant to life and A&S insurers. His office is at 14 Bird Hill road, Wellesley Hills, Mass.

"According to the American Management Assn., communication is now management's No. 1 problem," Mr. Robinson says. "It is a difficult problem because, while it's important to everyone, it is seldom anyone's specific and day-to-day responsibility to find solutions."

Although his work is in all forms of communication, Mr. Robinson is especially interested "in ways to establish closer, friendlier relationships between the home office and the field force."

"Good two-way lines of communication between the home office and the field," according to Mr. Robinson, "can be set up by any company. All it takes is know-how and time. The trouble is, today's top agency man is likely to be spread thin indeed. He

has plenty of know-how but he's very short on time. A consultant can help by finding direct, practical ways to use the know-how, and by supplying some of the needed time."

Mr. Robinson started as an agent in 1922 and has worked in almost every phase of life insurance marketing. He headed Columbian National's field operations for seven years, but he is probably best known for his work as editor of the *Insurance Salesman*—1929 until he was commissioned by the army air force in 1942—as author of the *Life Agents Qualification Handbook* and, with Robert Osler, vice-president of The Rough Notes Co., of *Handbook of Life Insurance*. He was director of public relations, 1945-48, for Guardian Life. During 1954-55 he was chairman of LIAMA's public relations committee. For a number of years he was on the NALU speaking circuit.

Guardian Makes 10 Home Office Changes

Guardian Life has made these promotions and appointments:

Dr. David C. Roberts, who becomes medical director, joined the company in 1934 and has been associate medical director since 1950. He succeeds Dr. Maurice B. Bender, vice-president and medical director, who is retiring after 35 years' service but will continue as medical consultant.

Dr. Phillips Lambkin, named associate medical director, joined the company in 1946 and was appointed assistant medical director in 1949.

Burgh S. Johnson, who joined the company in 1930 and has been on the official staff since 1936, was appointed administrative vice-president.

Edward J. Mallon, who was named controller, joined the company in 1929 and has been assistant controller.

Bernard Brown, appointed auditor, began with the company in 1935 and has been in various department, most recently auditing.

Henry G. Wetter, who joined the company in 1930 and has been in the accounting department, becomes chief accountant.

Herman H. Bijesse, who becomes assistant vice-president, joined the company in 1932 and has been assistant secretary since 1952.

Walter J. Kasura, named assistant secretary, joined the company in 1937 and has been manager of claims.

Charles B. English, named assistant actuary, has been in the actuarial department since 1940 and is a fellow of Society of Actuaries.

George L. Zevnik, appointed assistant secretary, joined the company in 1947. He was made assistant to the vice-president in 1952 and has been in charge of policy.

LIAMA Publishes Survey of Agency Departments

LIAMA has published a compendium of agency department organization charts of 46 life companies as a result of a discussion of agency department organization at the spring meeting of the agency officers round table.

The report points out that while an agency department organization is a highly individualistic thing, one company often finds it useful to be able to compare its organization with that of another company. Each department varies to reflect size, philosophy of operation and the abilities of its personnel.

The companies surveyed are in all size groups. The charts are presented as the companies conceived them, and company names are identified in the report.

N. H. Promulgates NAIC Model Code for A&S Advertising

Commissioner Knowlton of New Hampshire has promulgated for his state the rules governing A&S advertising adopted by National Assn. of Insurance Commissioners Dec. 1. They are effective 90 days from Jan. 1.

The notice to companies points out that the rules do not require the filing

of approval of any advertising material but "attention is particularly called to the sections with reference to enforcement procedures requiring that a complete file of advertising be maintained at the home office of the company and that each insurer file with its annual statement a certificate of compliance with the rules."

Mass. Mutual Promotes Mulliken

Massachusetts Mutual Life has promoted William E. Mulliken to district group manager at St. Louis.



Baby with a Future

...as bright as its lineage!...

Aware of the requirements for survival in today's life insurance market, the Security-Connecticut Companies have seen to it that their new-born Life affiliate is aggressively equipped with everything that it takes:

financial strength and acumen, as inherited from 115 years of distinguished management, underwriting and public service in the fire, marine and casualty field;

countrywide organization and service, as facilitated by the parent companies' existing representation and business (Life entry scheduled in all states as rapidly as assimilable);

guaranteed Life rates, values, and broad policy provisions* that are competitive plus;

liberal commission-schedule with brokerage appeal, plus a bonus system that only an agents' company could offer;

realistic Life forms, alive to today's popular demands in family and business security: the best of the standard forms, plus such "exclusives" as

Whole Life Investment

Security Protector

Expectancy Endowment

Security Investment

Juvenile Security

Juvenile Complete Security

* broad underwriting practice, too: offering sub-standard to 500% mortality.

Our baby should travel fast and far; we'll welcome inquiries from those who'd like to travel alongside.

SECURITY-CONNECTICUT LIFE INSURANCE COMPANY



PETER J. BERRY
President

G. ALBERT LAWTON, C.L.U.
Executive Vice-President

1955 Addition to the
SECURITY INSURANCE COMPANY
OF NEW HAVEN
Established 1841

163 Whitney Ave. • New Haven • Conn.

EDITORIAL COMMENT

Appeal That Can't Be Safely Ignored

It seems almost unbelievable that in so short a span of years an idea devised by a small group of resourceful and ingenious men for a limited market should now be easily the most controversial issue in the life insurance business. Yet that is the history of the variable annuity.

Some of the best brains of the business are lined up on one side or the other. But even some of the most outspoken opponents of the variable annuity are aware that it has immense appeal—in fact, that is what they most fear about it. For if the contract is not understood by those buying it, it could well lead to disappointments among buyers foolish enough to believe that "variable" means only variable upward.

What gives the variable annuity concept its admittedly tremendous attraction? Basically, its appeal seems to be that it takes two deservedly popular and much-desired mechanisms and combines them in such a way that each enhances the other's good qualities and tends to cancel the other's deficiencies. That is, everybody likes the idea of a property that can be used up—both principal and income—without being outlived. And everybody likes the idea of a property whose income will vary, so far as is humanly possible, with changes in the cost of living. An income that can't be outlived loses much of its appeal if its unlooked-for price increases cut its purchasing power. A property yielding income that varies with the cost of living loses much of its appeal if its earnings cannot be supplemented by gradual exhaustion of principal without danger of leaving the owner without income if he lives beyond a certain date.

The appeal of combining a property that is responsive to cost-of-living changes with the can't-be-outlived feature of the conventional annuity is a "natural" for the many people who have reasonably decent incomes but who are not so well off that they can figure on keeping their principal intact as a means of not outliving their incomes.

This tremendous basic appeal of the variable annuity principle must be taken into account by its friends and foes. To ignore it or attempt to minimize it is like arguing for the abolition of automobiles because their use results in so many thousand needless deaths each year. The basic appeal of the automobile far outweighs the academic argument against its gener-

al use. As with automobiles, the sensible approach to the variable annuity seems to be that of doing everything possible to see that it is used wisely, since both mechanisms serve a useful purpose when properly handled.

It is true, of course, that even the most articulate opponents of the variable annuity have not generally contended that nobody should write the variable annuity. They have merely opposed its being written by any form of life insurance company, whether as a part of a regular company or by companies specializing in variable annuities.

But here again the great force of the variable annuity's popular appeal makes itself felt. If the variable annuity were something having an extremely limited potential market and no sales appeal to speak of, it might not matter whether it were written within the life insurance framework or outside it. But the variable annuity seems likely to be sold in large amounts to a big market. Hence the consequences of letting a life-contingency type of contract be written outside the life insurance business are potentially serious.

The big point is that whether one believes the variable annuity to be the greatest invention ever conceived by the mind of man or as an evil thing that will destroy the foundation of the life insurance business, its tremendous popular appeal cannot be overlooked. A company president remarked recently that he wished the variable annuity had never been thought of and certainly there are many who would agree with him. Nevertheless, the fact is that it has been thought of. "It is a condition and not a theory that confronts us."

Not the least remarkable aspect of the variable annuity is that thus far all the hubbub over it has occurred without a single variable annuity contract—individual or group—having been sold to the general public. Yet it has been written up in such non-insurance publications as *Sales Management* magazine and *Changing Times*, the Kiplinger magazine. If the variable annuity already has stirred up as much interest as it obviously has, it is clearly unrealistic to do anything but accept it as a major development and deal with it accordingly.

Another Honor for Pritchard

Oren D. Pritchard, Union Central Life manager at Indianapolis, a trustee of National Assn. of Life Underwriters,

was selected by the Insurance Field as the 1955 "Man of the Year" in the life insurance business.

Mr. Pritchard was cited for his nationally significant work on behalf of life insurance on all legislative fronts. His "behind the scenes" activity, for the most part unpublished, received special commendation. During the year Mr. Pritchard also received the "Hoosier Life Underwriter of the Year" award made by the Indiana agents' association.

PERSONALS

President **Charles A. Taylor** of Life of Virginia will head the 1956 membership and fund campaign of the Richmond, Henrico and Chesterfield county Red Cross chapters.

John F. McCormick has been named resident manager of The National Underwriter Co. for the New Jersey territory.



J. F. McCormick

Newark and with Prudential at Hackensack.

Kellogg Van Winkle, retired manager of Equitable Society at Los Angeles, has been named chairman of the 1956 Heart Fund Drive. General chairman of the drive is Rolla R. Hays Jr., New England Life general agent.

Roy A. MacDonald, director of company relations of H&A Underwriters' Conference, broke his collarbone in four places as a result of a fall while trying out some new Christmas ice skates.

Appeal Mutualization Decision

An appeal to the U.S. Supreme Court has been made from a decision by the California supreme court which upheld the mutualization plan of Pacific Mutual Life. The appeal was made by a group of stockholders of the old Pacific Mutual Life.

Three to Buy Airline Debentures

United Air Lines has arranged for a maximum of \$150 million in new capital over the next five years, with \$120 million coming from sale of new debentures and up to \$30 million that may be borrowed under a new bank credit agreement. Under an agreement just signed, the new series D, 4% debentures will be sold, as funds are required, to Metropolitan Life, Prudential and Mutual of New York.

DEATHS

DON L. HARTMAN, 57, assistant secretary of Occidental Life of California, a nationally known figure in the group insurance field, died at his home following a recurrence of a heart attack he suffered earlier in the year. Starting in the business with the Connecticut General Life home office, he later went to New York City as manager of group sales. He joined Occidental's newly established group department at Los Angeles in 1935, returning to New York the following year as superintendent of agencies for United States Life. In 1937 he rejoined Occidental as southern California regional group supervisor, was named to a home office post in 1945 and in 1951 became assistant secretary. For two years he was director of group sales operations.

WILLIAM P. BRENTON, 64, assistant actuary of Metropolitan Life since 1928, died at his home in Mastic, N.Y. He was with Prudential of England before joining Metropolitan Life as supervisor in the actuarial division at Ottawa in 1925.

ANTHONY J. KLEINHEINZ, 54, Equitable Society, Green Bay, Wis., died from a coronary attack. He started with Equitable at Marshfield, Wis., in 1925 and was transferred to Green Bay in 1932 as district manager. For several years he qualified for the company's Group Millionaires' Club.

WILLIAM H. DANFORTH, 85, noted philanthropist and founder and chairman of Ralston Purina Co. and for many years a director of New York Life, died at his home at St. Louis of a heart attack.

FTC Hears One Case, Sets Date for Second

The federal trade commission was scheduled to open its hearing on the complaint which charges Combined of America with false advertising of its A&S policies in Washington, D. C.

The FTC has set Feb. 24 for the continuance of the hearing in Washington of the case against Mutual Benefit H&A. Examiner Lipscombe said that the results of the Feb. 8 trade practices conference will be taken into consideration at the Mutual Benefit H&A hearing. He had stayed the proceedings early in December when the official announcement of the trade practices conference was made.

Extra Grace in Flood Area

Equitable Society has offered its policyholders in the California and Oregon flood damage areas an extra 31 days beyond the normal grace period, where the normal grace period or "last" extension expires between Dec. 19, 1955, and Jan. 31, 1956, inclusive.

The NATIONAL UNDERWRITER

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Insurance Teachers Present Fine Bill

NEW YORK—American Assn. of University Teachers of Insurance at its annual business meeting here elected Hampton H. Irwin of Wayne university, Detroit, president, to succeed Laurence J. Ackerman of the University of Connecticut, Storrs. Other officers elected are Charles C. Center of the University of Wisconsin, vice-president; William T. Beadles of Illinois Wesleyan, secretary-treasurer (reelected), and John W. Cowee, University of California at Los Angeles, new member of the executive committee.

John S. Bickley of Ohio State university was named editor of the association's journal, and the organization voted to publish the journal twice a year instead of once. The Elizur Wright award of \$250 in cash and a certificate went to Dr. Dan M. McGill of Wharton school for his book on *The Fundamentals of Private Pension Plans*. Ralph Blanchard, Columbia university, was chairman of the nominating committee.

The teachers' program was considered outstanding. There was a balance between topics chiefly of interest to the educators, which were dealt with by the teachers themselves, and subjects of more general import, which were dealt with by outstanding figures of the insurance business. Several of the talks are treated in separate stories. The multiple line tone of the convention was set at the opening joint CLU-CPCU breakfast.

Berkshire's Campaign Exceeds Goal by 22%

Berkshire Life's sales campaign which closed Dec. 17 exceeded its quota by a record-breaking 22%. The seven-week drive, directed by General Agent E. J. Dore of Detroit accounted for a total paid volume of \$13,386,369.

Top individual producer was George Feldman, Miami, with \$483,437 of life business. Clarence Meeker, Albany, led in A&S with \$1,140 of yearly premium. E. J. Dore Jr., Detroit, and H. J. Eaton, Albany, were second and third in life production with \$377,645 and \$351,996 respectively.

The S. S. Wolfson trophy, symbolic of the best all around general agency campaign effort, went to the O'Brien agency at Albany, which had 100% of its full time and 84% of its part time agents producing during the campaign and paid for a total of \$1,243,387.

Two Agents to Aid Indiana Credit Insurance Probe

Two Indiana agents, Carl A. Helms of Fortville and Grattan H. Downey of Indianapolis, have been appointed to a six-man subcommittee of the state legislature to conduct a special investigation of alleged credit insurance abuses by small loan companies. Mr. Helms is a state senator and Mr. Downey a representative.

The investigation was authorized last month by the legislative advisory committee following a series of front-page articles in the Indianapolis *Star* alleging abuses in the credit life and credit A&H field.

Among areas to be investigated are coercion in the tie-in sale of credit insurance with small loans; payment of commissions to lending agencies; use of loan company personnel as agents without regard to qualification to write

insurance strengthening of insurance department regulations.

Commissioner Davey already has moved to tighten the licensing of credit agents. He pointed out in a recent directive that anyone applying for a life license must complete a department-approved study course and anyone applying for an A&H license must pass the department's written examination.

LIA Promotes Davis, Williams and Lincoln

Life Insurance Assn. of America has promoted George H. Davis to associate actuary, Charles D. Williams III to assistant actuary and William L. Lincoln to assistant counsel.

Mr. Davis has been assistant actuary since 1947. Mr. Williams has been actuarial assistant since 1951. Mr. Lincoln joined the staff in 1948 and has been attorney since 1952.

C. E. West Now a V-P of Provident Mutual

PHILADELPHIA—Provident Mutual has elected Charles E. West, actuary since 1954, as vice-president and actuary. He has been with the company 42 years, is a fellow of the Society of Actuaries and an organizer and charter chairman of the Actuaries Club of Philadelphia.

William H. Greenwood Jr. has been named an associate insurance supervisor. He joined the company in 1938.

Neil Gimour has been made an assistant actuary. He is a fellow of the Society of Actuaries and has been with the company 36 years.

Walter Schlump, with the company 36 years, has been made an assistant insurance supervisor, and Richard D. Fink, a fellow of the Society of Actuaries, who joined Provident Mutual in 1948, has been made an actuarial assistant.

Sun, Canada, Assigns Higher Investment Division Posts

Sun Life of Canada has made several appointments in its investment division. H. B. Fewkes, J. F. Innes, A. S. Kirk, and W. B. Potter become associate treasurers. J. A. Gray is named associate treasurer and will continue in charge of the mortgage department. H. McAuslane becomes associate treasurer and continues in charge of the real estate department.

Others receiving new titles are G. M. Bourke, P. R. MacGibbon and R. L. MacKinnon, assistant treasurers; A. O. Mackay, superintendent of mortgages, and W. D. Thomas, joint U.S. mortgage manager. A. R. Hicks has been named resident treasurer at London, England.

Shenandoah Has Group on Federal Employees' Beneficial Associations

Shenandoah Life has issued to civil service commission a master group life policy under which it will insure the risk assumed by the federal government in taking over from time to time outstanding group life issued to non-profit beneficial associations of federal employees.

This is in accordance with provisions of the federal employees group life insurance act of 1954, as amended. It is anticipated that the company will issue more than \$200 million of life under the policy next year. Shenandoah Life formerly held the group life on a number of federal employees' non-profit beneficial associations.

Still Need N. Y. OK in Conn. General, National Fire Deal

HARTFORD—Connecticut General Life's projected purchase of National Fire of Hartford is still under review by the New York department, which questioned the acquisition as violating the New York law against a life company's doing other than a life business.

As a result of the delay, President Frazar B. Wilde of Connecticut General has stated that probably no action will be taken at the meeting of Connecticut General stockholders called for Jan. 6

and the meeting will be adjourned till Jan. 24, by which date he anticipated a decision from the New York department.

When the department objection was first raised, Mr. Wilde said that the proposal would not be held open after Jan. 24. There has been no indication that he would extend the date.

Dorothy Brahm in New Post

Dorothy M. Brahm has been appointed assistant director of advertising for Old Republic Life of Chicago. Mrs. Brahm has been with the advertising department for two years.



A SPECIAL POLICY

Ten Payment Life policy with first year cash value and dividends. Beginning with 6th year, premium reduced 50%. Minimum issue, \$50,000. A top competitor.

A SPECIAL ILLUSTRATION FOLDER

For the first time, an attractive, easy to use, all-in-one FUNDED PREMIUM PLAN presentation folder complete with sales track and figures. See for yourself! Just complete coupon and mail today!

Providing sound coverage at reasonable cost through competent representatives. Bankers National's consistent aim since its founding.



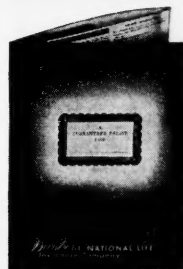
GENERAL AGENCY INQUIRIES INVITED

Send me a Funded Premium Plan illustration for age.....

Name.....

Address.....

City..... State.....



NEWS OF LIFE POLICIES

Bankers National to Offer 2 Female Plans With Lower Premiums

Bankers National Life will offer two new policies designed for female risks only, effective Jan. 1.

The company, recognizing that women generally have better mortality rates than men, will offer a "guaranteed cost 20-payment life" and a "guaranteed cost life paid up at 65" at lower premium rates than on comparative policies for males and females.

Both policies are issued on a standard basis only, with \$3,000 as minimum issue. The 20-payment policy is issued at ages 10 to 55 and the other at ages 10 to 50. Waiver of premium and accidental death benefits may be added to both.

The company will enter the non-cancellable guaranteed renewable A&H field shortly after Jan. 11, issuing new plans at ages 18 to 60 with maximum monthly indemnity of \$400. Benefits

will be payable 12, 24, 60 and 120 months. Five years or lifetime accident benefits may be added by rider.

A new rate book will become effective Jan. 1, with rates and values arranged in age order rather than in plan order. The book will be permanently bound instead of looseleaf, as before. Age limits for some policies are changed. Cash values are increased at all durations on 30-payment life, endowment at 65, life paid up at 65 and endowment at 85 plans.

Waiver of premium disability premiums are lower for all plans. Full disability rider, when issued with life and endowment plans maturing after 65, provides for maturity of the policy as an endowment at age 65 and payment of the face amount in lieu of all other benefits if the insured is disabled at such age, in addition to the waiver of premium and monthly income benefits previously provided.

The accidental death benefit rider provides benefits and premiums to age 65 instead of to age 60, as in the past. Issued at ages 15 to 60, annual pre-

miums are \$1.25 at ages 15 to 49, \$1.50 at ages 50 to 54, \$1.75 at ages 55 to 59 and \$2 at age 60. These changes are applicable to all policies for which the company now issues the accidental death benefit.

A new 10-year retirement income plan is available at ages 56 to 60. Payor benefit is issued at age 0 to 14, inclusive, on juvenile policies where such benefit is available.

Extra premiums on substandard retirement income policies with table ratings are slightly increased but will be payable only to the end of the policy year preceding the year during which cash value exceeds face amount instead of to maturity age as in the past.

Washington National Issues New Rate Book

Washington National has released a new life rate book and now is writing major medical.

The ordinary rate book, with rates reduced up to 10%, is redesigned to facilitate handling and finding of premiums. The reductions in rates for waiver of premium disability range as high as 40%, and substandard rates for physical ratings also are generally reduced. The company had previously lowered rates for occupational hazards. The changes have been credited to improved interest earnings and favorable mortality experience.

The new major medical policies are being issued with a \$7,500 maximum and \$500 deductible or \$5,000 maximum and \$300 deductible, both providing payment of 75% of expenses exceeding the deductible. Hospitalization is not required, and the deductible is applied only once for two or more family members injured in the same accident or afflicted concurrently with the same contagious disease.

The company also has prepared a new visual programming selling aid to supplement the planned financial security sales presentation which stresses total needs selling.

N. Y. Life Liberalizes Aviation Underwriting

New York Life now offers standard life insurance to certain private pilots and to scheduled airline pilots and crew members. Such pilots previously paid an extra premium for life insurance.

Eligible private pilots are those who are 27 years of age or over, operate privately-owned aircraft, have 400 or more hours of previous solo flying experience and have 100 or less hours of recent or future annual flying time.

Eligible airline pilots and crew members are those whose aircraft are operated for passenger, freight or mail service by government certified scheduled air carriers incorporated in the U.S., Canada, Alaska or Hawaii.

Globe Assurance Issues Ordinary

Globe Assurance, which specialized in A&H until last December when it began writing industrial life, now is entering the ordinary field.

Russell Cahall has been appointed director of agencies. He entered the business as an agent with Western & Southern in 1933 advancing to manager in various cities including nine years as manager at Dayton.

Mr. Cahall is a CLU, a graduate of the LIAMA management School, past president of Dayton Assn. of Life Underwriters, and past vice-president of the Ohio Assn. of Life Underwriters.

Cuts Some Annuity Rates

Manufacturers Life has lowered premiums for all ages and plans of single premium immediate annuities. Business now being issued is at the new rates.

Colonial introduces New Ordinary Series, Rate Book and Forms

Colonial Life has introduced a new series of ordinary life policies, a new rate book and new application forms.

The new ordinary "independence series" is for amounts under \$3,000 only. In designing the policy and application forms to be used and the administrative processes in the home office, the company has extended methods used in weekly premium debit insurance. These have permitted economies which are passed on to policyholders in the form of lower premiums and increased benefits.

For example, the accidental death and waiver of premium benefits, including a dismemberment provision, are included in all "independence series" policies without specific extra premiums. Also, a payor insurance benefit providing for waiver of premiums to age 25 of insured is available with juvenile policies.

For the "colonial series," policies of \$3,000 or more—the company has reduced the premiums for the waiver of premium disability benefit and all substandard extra premiums. The company now will issue extra ratings down to age five. A payor benefit is offered for all juvenile plans.

Another change is issuance of the whole life policy at age 0. It has been available starting at age five.

Over-all non-medical limits for the "colonial series" have been increased from \$5,000 to \$10,000 on policyholders in the period since the last medical examination.

Disability waiver of premium will be granted to single, self-supporting women at the same premium charged for men.

A new 15-year double family income rider was introduced, making a total of six such term riders available.

Tex. Insurer Eases Pilot, Double Indemnity Cover

Great Southern Life has revised its aviation underwriting rules and liberalized double indemnity coverage.

With respect to aviation, the company now insures at standard rates pilots and crew members of scheduled passenger airlines of United States and Canada flying anywhere and also mature private pilots with over 400 hours solo experience and flying less than 110 hours annually.

With respect to double indemnity, the aviation exclusion no longer applies to persons flying as passengers. Also, there is no exclusion for death from homicide, and the exclusion having reference to "any violation of the law" will now be applicable only in the event the insured is "committing an assault or felony."

Hikes Retention Limit

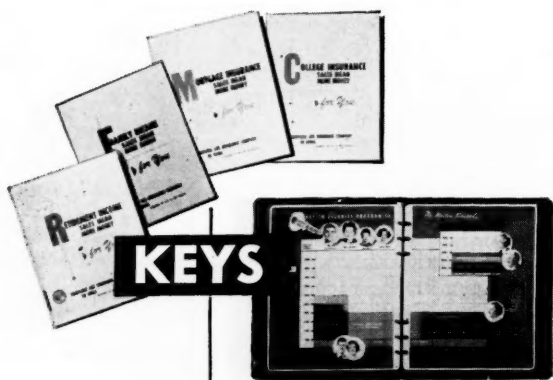
North American Life of Chicago has increased its basic retention on life insurance from \$25,000 to \$35,000.

Wise Goes with L. A. Agency

Charles E. Wise has joined the Leisure, Werden & Terry agency of Occidental Life of California at Los Angeles as manager of the A&H department. He succeeds L. L. Jacobson who retired last November after 15 years as department manager. Mr. Wise formerly was with Continental Casualty. He is a past president of Los Angeles Assn. of A&H Underwriters.

Mumford Promoted at Detroit

Frank L. Mumford Jr. has been promoted to assistant general agent of the F. E. McMahon general agency of Aetna Life at Detroit. Mr. Mumford, who took over his new position Jan. 1, has been brokerage supervisor since 1951.



to the KEY TO SECURITY



EQUITABLE LIFE INSURANCE COMPANY OF IOWA

FOUNDED IN 1867 IN DES MOINES

might well be the subtitle of the Company's visual Sales Kits on Retirement, Mortgage, Family and College Insurance. Use of these Kits helps the new associate get into early and profitable production. They also assist him in becoming adept in the use of the Key to Security, the Company's illustrated and integrated programming service which has been so notably effective since its introduction in 1949.

Rose Says Agents Must Meet "Certain People" to Upgrade Clientele

In prospecting toward a clientele with greater buying power it is almost imperative that the agent plan a campaign toward meeting certain people, Harold C. Rose, independent, New York City, told New York City CLU chapter.

A background in law has "tremendous value" in preparing an agent for selling to the higher income bracket clients, Mr. Rose said. Prospecting must be methodical and deliberate. It is one of the major determining factors between success and failure.

Mr. Rose, a Million Dollar Round Table qualifier for 14 years, discussed insurance purchasing from capital instead of income with Harry K. Gutmann, Mutual of New York, educational vice-president of the chapter.

Mr. Rose recommended the idea of replacing the face value of low income yielding bonds, held in large amounts by wealthy clients, with a short term limited payment life contract requiring a smaller outlay of capital. The difference is used to offset the interest on the bonds now lost as spendable income. To a man in a high income bracket the use of this tax-free capital as spendable income is a great boon, Mr. Rose said.

tober. Share purchases by investors through Nov. 30 amounted to \$1,103,919,000, compared to \$862,817,000 for all of 1954, a record year.

Share redemptions dropped in November to \$30,879,000 from \$431,346,000 in October. Total redemptions in the first 11 months totaled \$423,274,000, compared with \$364,697,000 for the same period last year.

Cash, U.S. government securities and short term obligations held by the 125 mutual funds totaled \$455,935,000 at the end of November. Holdings were \$438,427,000 at the end of October.

N. E. Life Makes 3 Agency Appointments

New England Mutual Life has appointed Horace D. Olmsted manager at Rochester, N.Y., and William R. Wagner co-general agent at Harrisburg, Pa. The district office in Spokane has been made a general agency, under the management of Robert T. Greene.



Horace D. Olmsted

Mr. Olmsted, who succeeds Mr. Wagner, has been assistant to the directors of agencies since last March. He previously was at Pittsburgh where he qualified for Million Dollar Round Table.

Mr. Wagner, who joins his father, William B. Wagner to form the Wag-



William R. Wagner



Robert T. Greene

ner agency, has been manager at Rochester since 1954. He entered the business in 1947, served as agent and supervisor in Harrisburg, and was assistant superintendent of agencies. Both Wagners are CLUs.

Mr. Greene, who has been district manager, joined the company in 1954. He is a CLU.

U.S. Life Now in Participating Field

U.S. Life, which has previously sold only non-participating policies in continental United States, is now selling participating policies as well. The first participating policy is a whole life plan with \$20,000 minimum. It is a competitive contract with low net costs and high cash values and has been approved for issue in New York state. Waiver and accidental death benefits are available. During the year a complete line of participating policies will be issued.

Neas Retires from Paul Revere; Weed Successor

Stephen L. Neas, general agent of Paul Revere Life and Massachusetts Protective at Roanoke for 22 years, has retired after 32 years with the companies.

Mr. Neas was succeeded by I. Crawford Weed, who has been at Miami.

Members of the Roanoke agency and community leaders presented Mr. Neas with luggage at a testimonial. John J. Plumb, vice-president and director of agencies and Harland L. Knight, agency vice-president, represented the home office.

Conn. Mutual Employees Stage Musical Satire

"Connubial Bliss," a musical satire spoofing the insurance industry, was presented to employees of Connecticut Mutual Life at the annual home office Christmas party.

Written by Miss Lelia Thompson, counsel, the script made use of favorite Gilbert and Sullivan tunes. The cast and production crew totaled 100 and included president George F. B. Smith. Miss Marjorie Rice was director.

The plot of the two-act comedy developed from competition between "Connubial Life" and "Night Life" companies. To Connecticut Mutual employees, "Connubial Life" was a thinly-disguised take-off on their own company.

Equitable Society's camera club has won second place in the annual color competition of the 16-member Business Camera Clubs Assn. Of the four club members who won five trophies, Gordon K. Smith, secretary of the company, led the way with two.

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The Benefit Association is 43 years old . . . but brand new in the general agency field. We start fresh—with the Big Margin of Overwrite Plan to help you build big, fast and solid. We know the General Agent's income is the key factor in his success . . . and his success is vital to ours. It's as simple and straightforward as that!

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Top values in H&A and Life, featuring full-coverage hospitalization. See why B.A.R.E. group plans are BETTER!

New Mutual Fund Buyers Set Record in November

Investors in mutual funds opened a record 11,495 new accumulation accounts in November, according to National Assn. of Investment Companies.

Reporting on its 125 open-end member companies, the association reported that in the first 11 months investors opened 105,452 new accumulation accounts, exceeding any entire previous year.

Net assets of member companies on Nov. 30 amounted to \$7,759,865,000, compared to \$7,216,241,000 at the end of October.

For the sixth consecutive month this year, new share sales topped \$90 million, totaling \$95,350,000 in November, compared with \$91,528,000 in October.

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NEWS OF LIFE ASSOCIATIONS

Form New Local in Ill.

Tri-County Assn. of Life Underwriters was organized at a meeting at Kewanee, Ill. J. Kenneth Elliott, Northwestern Mutual, Kewanee, was elected president.

Other officers are Elmer Lundeen, Connecticut Mutual, Galva, 1st vice-president; S. A. Faoro, Metropolitan,

Kewanee, 2nd vice-president; Robert G. Lewis, Prudential, Kewanee, secretary, and H. H. Heeren, Northwestern National, Geneseo, National committeeman.

Speakers included A. F. Moore, Northwestern Mutual, Ottawa, president of the Illinois Association, and Lorene W. Crawford, association executive secretary.

Tex. Life Underwriters Asked to Give More for New D.C. Building

A strong plea for increased contributions to finance the new National Assn. of Life Underwriters building in Washington was made at a directors meeting of the Texas association in Austin.

O. P. Schnabel, Jefferson Standard Life, San Antonio, a national trustee, stressed the pride in becoming "charter builders" and having the names of Texas contributors placed in bronze in the entry of the building. He urged that "those who do not feel they can contribute \$100 to contribute less."

John M. Matris, manager of the Philadelphia (Miss.) Chamber of Commerce, was introduced at the meeting as the man selected to be new managing director of the Texas association.

It was reported that a five year peak of 3,869 members has been achieved by the association and optimism was expressed that the figure will reach 4,001 by January.

In a report on extension work, Cliff Perkins, Southwestern Life, Sweetwater, told of plans for organization of local associations in Big Spring, Texas City and Texarkana.

Birmingham—Mrs. Addy Chandler, Travelers, Atlanta, and a member of Women's Quarter Million Dollar Round Table, spoke here.

Philadelphia—Stanley C. Collins, president of NALU, spoke on the topic, "You Owe it to Yourself," at a luncheon meeting.

Spartanburg, S. C.—A CLU study group has been organized with eight Spartanburg agents and one from Greenville in the initial group. It is under the auspices of American College and endorsed by NALU.

Jackson, Miss.—Edwin C. Martin, manager of the home office life agency of Provident Life & Accident in Chattanooga, and a member of Million Dollar Round Table, spoke here.

Pasadena—Mrs. Tomlinson of the Pacific Telephone Co., lectured on and demonstrated good telephone usage. William Snell, Prudential agent at San Bernardino, addressed the Pomona branch.

Appleton, Wis.—Lester O. Schriver, NALU managing director, spoke at the November meeting here of the Fox River Valley Association.

Phoenix—Jackson Hoagland, vice-president of Arizona Public Service Co., spoke at a luncheon meeting of Central Arizona Association. Thomas Lee Edens Jr., Equitable Society, was chairman.

ST. PAUL—Glenn W. Isgrig, general agent of Lincoln National Life, Cincinnati, addressed the St. Paul association.

New Bedford—M. L. Rice, assistant district manager of John Hancock, spoke on business insurance for the closed corporation.

Madison, Wis.—Gene Flick, Bankers Life, Minneapolis, a former Big Ten football star at Minnesota university, addressed the November meeting.

Janesville, Wis.—William Pryor, Connecticut Mutual, Milwaukee, Wisconsin national committeeman, explained NALU activities at a meeting of the southern Wisconsin association.

Columbus, O.—A sales caravan visited Zanesville, Marion and Bellefontaine, presenting a program which had for its theme "The Business Dollar." Speakers were Dennis Clark, Great-West Life; S. A. Chickarella, Prudential; J. A. Shawan, Ohio State Life, and Leonard Chatfield, Western & Southern.

Syracuse—Joseph N. Desmon, general agent of Continental Assurance at Buffalo, told how agents can meet their responsibilities to the public by giving intelligent advice on future financial needs, stressing long range planning on business and juvenile insurance and annuities.

Cincinnati—George Grootveld, Metropolitan Life agent, Elkhart, Ind., said that enthusiasm is the chief factor in the agent's success. As soon as he hears an idea that sounds as if it would work effectively, Mr. Grootveld takes it into the field and tries it out at least once. He urged agents to take up successful ideas and use them until they became part of themselves. The annual sales congress will be held Jan. 20. Eight members of the Million Dollar Round Table will conduct room-hopping sessions on "hot" sales ideas.

Green Bay, Wis.—Members of the Northeast Wisconsin association were entertained at a Christmas party by Charles Hansen, of radio station WBAY.

Manitowoc, Wis.—There is an enrollment of 16 agents of Manitowoc and Two Rivers in the LUTC course, which is under the chairmanship

of Calvin Hansen, Old Line Life.

Madison, Wis.—The speaker was Earl C. Jordan, general agent at Chicago for Massachusetts Mutual Life.

Washington—Arthur E. Priebe, Penn Mutual, Rockford, Ill., chairman of Million Dollar Round Table, spoke on "My Five Favorite Fears." H. Cochran Fisher, Aetna Life, has been named chairman of the Wilner memorial award committee. The award will be presented at the Jan. 11 meeting.

Memphis—A. Jack Nussbaum, Massachusetts Mutual Life, Milwaukee, vice-president of NALU, spoke on "Ideas That Sell."

Saginaw, Mich.—The association observed its 35th anniversary at a luncheon meeting addressed by R. Perry Shorts, president of Second National Bank. He predicted a period of unlimited growth in the American economy.

Des Moines—Cashiers day was celebrated here for the first time with "royal" treatment for some 22 local cashiers who were guests at lunch. The men received cigars and the ladies red roses in appreciation of their efforts. The meeting was concluded with a film, "Selling America."

Buffalo—Karl Schmidt, National Life of Vermont, Akron, told how "Planned Organization Leads to Success."

Savannah—Judge Jenkins of the court of ordinary discussed wills. Gordon Rushing, Carolina Life, James Musser, Protective Life, and George Seckinger, Security Life, new members, were introduced.

Pittsburgh—Foster E. Starcher, Prudential, spoke on "The Little Things That Make Sales" to the Butler branch. Carl L. Ensley, district manager of Prudential, discussed "Closing the Easy Way" before Fayette county branch Dec. 8. Robert B. Fisher, assistant superintendent of Knights Life, spoke on "Service to Success" to Beaver valley branch on Dec. 9. Paul B. Strom, assistant general agent of Aetna Life, discussed "When Does Your Hunting Season End?" at Washington branch Dec. 14. H. W. Reynolds, manager of New York Life, spoke on "Your Responsibility and Mine" before New Castle branch Dec. 15.

St. Paul—Glenn R. Fouché, president of Satymform, Chicago, spoke on, "Dramatize Your Selling." He was one of a group of American business leaders who spoke on U.S. selling methods in a number of cities in Great Britain.

Columbus, O.—Rabbi Jerome D. Folkman of Temple Israel, Columbus, spoke on "The Strain of Life" at the December meeting.

Peoria—The December meeting was addressed by Charles W. Cooper, manager of Business Men's Assurance at Springfield.

Fort Wayne, Ind.—Speaker was Hal L. Nutt, director of the Purdue course.

Winston-Salem—E. Price Ripley, National Life of Vermont, Roanoke, member of Million Dollar Round Table, spoke at the monthly luncheon meeting.



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helped Arthur K. Coty (Los Angeles) determine that he could succeed, and opened the way for his meteoric rise to top rank standing in the Big Tree Leaders Club within his first year, and to production leadership of the W. W. Stewart General Agency—one of Pacific Mutual's foremost—in his third year.

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FTC Complaint Seen as Long-Term Regulation

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Whether the fair trade practices laws and the statutes from which FTC derives its authority do not involve a sacrifice of principle to expediency, establishing a process of government by men in their search for a solution to a problem. Mr. Farley contrasted this with the "American ideal" of government by laws.

Mr. Farley turned to another recent development, that of the wide spreading of the recognition of the extent to which A&S is "vested with a public interest."

The very foundation of health insurance is the need of individuals for insurance against loss of earning power due to disability and against expense of medical care. The new development is the deepened recognition that if health insurance is to remain in private hands, rather than become a function of government, the private insurers must deserve and have the confidence of the insuring public.

"With improvement in coverage comes increased pride in good performance, and with pride comes greater appreciation of the facts that not only must performance deserve greater public confidence but that along with the deserving of confidence there must be measures to assure that the confidence which is deserved is actually enjoyed," he said.

It will be interesting to watch the development of the new Health Insurance Assn. of America, which will reflect the diversity of its membership, said Mr. Farley. This diversity will affect the character of the association, and an appreciation of that fact will help in understanding and appraising its development and progress.

A specific problem in the A&S field is found in loss-of-time insurance, Mr. Farley said. Unless insured earns more on the job than he would derive from insurance benefits, the incentive to recover and return to work is seriously weakened.

Realistic underwriting must set a reasonable relationship between insured income and earned income net of taxes. The relationship can be threatened either by a subsequent decline in earning power or by subsequent issuance of additional insurance.

This problem is especially acute among professional men because of a tendency to pile association group on top of association group, with insufficient regard for the total amount of insurance provided.

Cancellable policies can meet this problem to some extent through a provision to prorate benefits downward if insured buys additional coverage elsewhere without advising the company. If he does advise the company, the risk could be terminated if the total insurance is too great by comparison with his income.

A guaranteed renewable policy can recognize the problem through an average earnings clause which prorates benefits downward if total insurance exceeds the average earnings of insured. But that solution involves cancellation. There is a desire on the part of the public, commissioners and insurers to minimize the use of cancellation or non-renewal. With both can and non-can prorating does not correct overinsurance unless every policy is prorated. Even then, it is an incomplete solution if it results in tax-free insurance income equal to taxable earned income.

Many believe the average earnings

clause should be related to some figure lower than 100% of insured's earnings. The result, by curbing overinsurance, might produce an extra dividend by encouraging companies to drop certain policy restrictions originally designed to help curb some moral hazard associated with overinsurance.

Mr. Farley questioned the tendency of wage earners to insure against medical expenses rather than against loss of earning power. He numbered himself among those who maintain that disability income protection should have first priority in the family insurance budget, since income is the foundation of family economic existence.

Statistics show a tendency to place priority on the kind of hospital and surgical insurance which pays the first dollar of loss but does not cover the crushing expenses and does nothing to replace lost income. Many insurance men are disturbed by this tendency, which is most likely to provide the "thrill" of collecting a small claim but disregards the kind of insurance which could keep the family together if disability struck the income producer.

In the last five years, the proportion of commercial insurance premiums used for medical expense coverage rather than loss-of-time protection has increased from 48% to 57%, despite the fact that both types of insurance have increased steadily in amount.

Sees Business Good in '56, But Stocks Not So Good

Henri de la Chapelle, Los Angeles manager for Paine, Webber, Jackson & Curtis, told Los Angeles Life Insurance Managers Assn. that 1956 will be a splendid business year but that the "stock market will not be so good."

He predicted that stock prices will go down, claiming that the tightening of credit will have its effect first on the stock market. Mr. de la Chapelle also asserted that penalization by taxation holds down investors. However, he forecast that consumers will save more income in 1956 than in 1955.

Mutual, N.Y., Raises Murphy

Daniel J. Murphy has been promoted to assistant manager of Mutual Life of New York at Milwaukee. Mr. Murphy joined the agency in 1949. George A. Knutsen is manager.

Weatherball Atop St. Louis Co.

A neon-lighted weatherball, 8 feet in circumference, will be erected by mid-February on a 50 foot sign atop the 12-story General American Life home office in St. Louis.

The weathercasting device, which the company claims will be the largest in the midwest, will glow red for warmer weather, blue for cooler weather, and green for no change. It will forecast rain with flashing lights. On clear days the ball will be visible from 10 miles.


Carolina Home Life in Business

Carolina Home Life, organized as a subsidiary of Carolina Casualty at Burlington, N.C., is issuing policies from \$100 to \$1,000 and will increase the limits as business expands. Commissioner Gold spoke at a dinner meeting of officers, directors and agents following an open house at the home office.

Pioneer L.&C. Names House V-P

Pioneer Life & Casualty has named Walter W. House vice-president and director of agencies.

Mr. House joined Pioneer in 1947 after nine years with Life of Virginia as agent and associate manager. He has been regional director of Pioneer in Anniston, Ala., for eight years.



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N. W. Mutual Sets Sales Record for 4th Year

(CONTINUED FROM PAGE 1)

viewed optimistically by Mr. Fitzgerald, who noted that some flattening of the past high rate of acceleration and some curbs on excesses "seem to be essential and not alarming." He added, "We can have confidence because our fiscal and monetary policies have been intelligently coordinated and applied by the Treasury and the federal reserve authorities. We can be grateful that those public authorities do not accept the inevitableness of inflation."

Nevertheless, Mr. Fitzgerald observed that the moral fiber may not be as strong as it was 10 years ago. "Although our government may fight inflation, our people are prone to accept it in the belief that a new round of compensation increases will protect them from its effects. Even some elements of our own business are accepting price increases as inevitable."

Reviewing Northwestern Mutual's 1955 earnings results, Mr. Fitzgerald said investments exceeded \$430 million with \$225 million going into

mortgage loans at 4% interest. This is the greatest mortgage activity in company history, and the account now approximates \$1 billion, or 30% of assets. The net interest rate on all investments before taxes will approximate 3.62, up from 3.52 a year ago. With forward commitments of \$285 million at known rates, he foresaw a further substantial improvement in 1956.

The mortality rate, while good, does not match last year's record, Mr. Fitzgerald said. The ratio may be as much as 2½ points higher than last year. The ratio of home office general and administrative expense to premium income stands at 4.39, down substantially, and these expenditures of about \$11 million per year grew only at one half the speed of the increase in premium income.

Total earnings, Mr. Fitzgerald said, should show some increase in gross amount for the interest rise will more than offset less favorable mortalities. Accordingly, there was a modest increase in dividend authorization, cou-

pled with the disability waiver premium reduction. This is the fourth dividend increase in four years and in the aggregate represents a 24% increase in scale over 1951.

Other speakers from the home office were Grant L. Hill, vice-president and director of agencies; William B. Minehan, secretary; Dr. G. F. Tegtmeier, medical director, and O. Alfred Granum, assistant director of agencies.

Agents who were on the program included A. Davis Baker, Worcester, Mass., who addressed the luncheon for new agents; Sidney F. Greeley Jr., Framingham, Mass.; Jack P. Fine, Richmond; Oscar B. Olsen, New York City; Harold W. Baird, New York City, and Stanley S. Trotman, New Haven.

Tuesday evening there was a dinner dance at which the toastmaster was Laflin C. Jones, director of insurance services in planning.

Mr. Minehan, explaining the Northwestern Mutual policy series that went into effect Jan. 1, said the new settlement concept guarantees certain specific rights to direct and contingent beneficiaries, minimizing the need for advance endorsements. The new series, as well as the program that will be used to implement the writing of substandard business, was described in a story in last week's issue.

Dr. Tegtmeier gave a detailed technical talk on the company's new classified (substandard) insurance. He also mentioned that for the first time, all pilots and crew members of regularly scheduled U.S. airlines as well as many other pilots will be eligible for standard coverage.

Mr. Granum emphasized that the life agent serves two classes of people—his prospects and his clients. He serves the prospect by selling him the idea of a long range, sound financial plan, and by getting him to take action on at least the first step of the plan. When that action has been taken, the prospect becomes a client. Then the agent best serves his client by encouraging him to go to the limit of his ability, by following with sincere interest the progress he does make, and by helping him to complete his financial program.

Mr. Hill, recounting many ideas which worked for various agents in 1955, said there is no more graphic example of the job insurance can do than one from within Northwestern Mutual. William Griffin, superintendent of agencies, was stricken by polio last August, and a recording made by him in the hospital where he is recovering was played by Mr. Hill. Mr. Griffin's message recalled his thoughts "during the dark hours."

The bright outlook for continued economic prosperity, coupled with the fact that there is an untapped business insurance market, makes this an area for an increasing use of life insurance, according to Mr. Baird. The vastness of the market, according to the speaker, may be judged from the results of a recent survey which indicated that although 97% of businesses own fire insurance, only 13% have key-man life insurance. He emphasized the possibility of death is from 15 to 20 times as great as that of fire, and the consequences frequently are more devastating in their effect on profits or even business continuance.

Mr. Baird predicted there will be a greater use of higher premium forms in insurance for business purposes, not only as a guaranteed reserve for business contingencies, but as the

most economical long-range plan of insurance protection. He also foresaw an increased degree of selectivity on the part of the buyer, with greater recognition of the services of the career agent who specializes in applying modern life insurance to the solution of business, estate and tax problems.

Mr. Trotman pointed out that with correctly written key-man business life insurance a corporation can accomplish several different purposes with one contract. Besides providing indemnification for itself in the event a key-man dies prematurely, the corporation also can provide modest salary continuation for the executive's widow as well as a fund for salary continuation to the executive himself when his active years are over and he moves into an advisory capacity.

Univac File-Computer Has Applications for Life Companies

Remington Rand's "univac file-computer," providing large storage capacity from which information can be selected and computed instantly at random access, can be used in many ways in the life insurance business.

Several hundred thousand items can be fed into the computer in the order of their arrival at the office each day. Each is matched automatically with related file data previously stored in the one to 10 magnetic drums within the system, and processed as needed.

In one application developed for the computer, the policyholder's name, beneficiary, amount and kind of insurance and date of issue are typed out by typists. The system automatically addresses the data to the magnetic drum location where the proper rate and surrender value is stored. It computes the rate and surrender value for the amount of insurance shown and returns it to the proper typewriter where it is typed in.

As a by-product of the policy writing operation, new policy data can be stored on punched cards or magnetic or paper tape and, when merged with data on changes and cancellations, can be applied to the master file to bring it up to date.

During this file maintenance run policy loan interest, dividends, reserves and non-forfeiture values can be calculated. Dividends, interest and reserves and factors may be stored on the drums so that all calculations can be made with the data feeding into the system in random sequence. Selection of premiums to be billed during current cycle can be made, and billing cards or tape created for the purpose.

The premium billing operation is significant in clerical savings because the file-computer can handle large volumes of paperwork at high speed. It automatically calculates the premium for type of payment due, figures the policy loan interest and any dividends which may be applied to premium payments, adds the premium and loan interest and subtracts the dividend to figure the net amount and prints the premium notice.

The machine also will do premium and investment accounting, non-medical underwriting, compute agents' production and persistency reports, figure their commissions, process medical statistics, and figure the totals required for the policy exhibit.

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Middle West Accident and Health Company, entering the Life field, requires services of an Actuary who has had a liberal over-all experience in a Life Department. Excellent opportunity for qualified applicant who can assume responsibility and exercise initiative. Reply should give experience and personal data. Salary open. Address Box #J-78, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

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Strong growing Eastern combination company has opening for young Actuary. A recent Associate of the Actuarial Society is preferred but persons with other qualifications will be considered. The position will provide a diversified experience. The location of the company's modern Home Office permits suburban living and at the same time offers excellent facilities for continuing actuarial studies. Send replies with outline of experience and personal information to Box #J-89, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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A multiple line life company located in a medium size Eastern city wants a young man 25 to 35 with actuarial qualifications and experience. At least four actuarial examinations. Group experience desirable. Write Box J-75, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill., giving background, experience, military status, and salary requirements.

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Balance Is Issue in Variable Annuity Battles

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variable annuities either by a regular life company through a segregated account, as contemplated by the pending New Jersey legislation, or as an alternative, through a life insurance company formed to write nothing else but the variable annuity. There would be no objection to this company being wholly owned by another life company.

Like the New Jersey bills, the proposed legislation in its present form would recognize that the variable annuity is an insurance operation and that control should be through the insurance department, with department control of advertising, soliciting, policies, etc.

There is a section in the draft that encourages balance but does not place on the issuing company the responsibility for seeing that balance actually results in each policyholder's holdings. However, each variable annuity issuing company would have to file with the insurance department a copy of

the system it would plan to use to achieve the desired balance between variable and fixed-dollar income.

Incidentally, this is not a feature of the New Jersey bills but the Prudential would handle it through its underwriting procedures.

The tentative draft provides for authority to invest in common stocks without restriction as to earnings record or similar yardsticks. This, incidentally, is unnecessary in New Jersey, as there is no restriction on common stock ownership for any kind of life company.

In this respect the tentative draft differs from the suggestions adopted by National Assn. of Insurance Commissioners in November. These contained restrictions on the kind of stock that could be held. The NAIC spelled out such qualifications as a 10-year dividend record, a requirement that stocks be confined to those listed on the exchanges and a prohibition against banking or insurance stocks. It follows quite closely the New York law.

Thinking of the Future?

Here's a real opportunity to join an expanding organization which sells life insurance to Lutherans exclusively. Founded in 1917, LUTHERAN BROTHERHOOD now has more than a quarter million policyholders and nearly \$650 million life insurance in force.

Last year 28 LUTHERAN BROTHERHOOD representatives qualified for the "President's Club" by each putting in force more than \$500,000 of new business during the preceding year. A complete line of policies is available. The new Home Office building of LUTHERAN BROTHERHOOD, now under construction in Minneapolis, will be completed this year. Send the coupon today for a free booklet, "Career Opportunities," that will give you more helpful information about this growing life insurance organization.

MAIL THIS COUPON TODAY! Please send me the free booklet, "Career Opportunities."

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The NAIC suggestions also mentioned requiring and maintaining balance. The ALC-LIA committee draft, however, contains no reference to maintaining balance, as this is considered to be impracticable.

The committee draft, it is reported, contains a provision that cash could not be withdrawn except over a 3-year period. In other words, a variable annuity buyer who thought the market was at its peak and wanted to get out could only do so by taking 36 variable monthly payments. This encourages long-term investment for retirement rather than in-and-out investment or speculation.

Nonforfeiture benefits would be paid-up annuity units that would be payable at the usual retirement ages unless withdrawn on the 36-month basis as a surrender.

In contrast to some separate-company ideas that have been advanced, the committee draft contemplates that if variable annuities are to be issued by separate corporations these corporations would be life insurance companies. There has been some talk about the possibility of variable annuities being regarded as a separate kind of insurance under a separate division of the insurance laws of the various states.

Whether or not to require "balance" between fixed and variable types of income promises to be the source of much argument before the question is finally settled—if it ever is. Some people would make it impossible for anyone to buy variable annuity without putting in an equal amount of premium into a fixed-dollar income annuity. This is based on the fact that experience has shown that a 50-50 contribution produces an income that most closely approximates the rise and fall in the dollar's purchasing power.

Those who favor this forced balance fear that complete freedom on the part of buyers would cause them to forget that variable annuity income is only to be regarded as a supplement to fixed-dollar income and not a substitute for it. In times when stock prices are going up there would naturally be a temptation to tip the balance in favor of equity investments.

Those who distrust this forced balance approach say that a man's fixed-dollar income should include not only

what he is currently buying but such sources of income as social security, annuities already owned, life insurance cash values, company pension plans, bank accounts, bonds, savings accounts, etc.

Another objection to forcing variable annuity insurers to be responsible for maintaining—or even demanding at the outset—a balance between fixed and variable income investments is that there is no restriction whatever on the amount of variable income investments other than variable annuities that a man can buy. Why should variable annuities be singled out as the one kind of variable income investment to be hamstrung by a balance requirement, advocates of the variable annuity ask.

One of the most important reasons why life companies in the Prudential camp feel that the variable annuity should be sold by life insurance companies is that this would permit it to be sold as part of a "kit" that would include life insurance and other coverages sold by life companies. Prudential, as a matter of fact, plans to put its main emphasis on other coverages even if it is permitted to sell the variable annuity.

Whatever recommendations the company associations decide to make on variable annuity legislation will need to be made fairly soon because some of the state legislatures where the matter will come up will be in session in January. But no matter what position the associations take, or if they take none at all, there promises to be a lively time as the proponents and the opponents of the variable annuity battle for their respective viewpoints.

K. C. Life Appoints Farrar

Harland W. Farrar has been appointed director of field training for Kansas City Life replacing Verne N. Barnes. Mr. Barnes, who has been in the position for 11 years, will become a general agent for Kansas City Life in Arkansas about March 1.

In life insurance for 17 years, Mr. Farrar has been at Watertown, S.D., and has served two years in agency work with one company and 15 years as a personal producer with another.

Rose Addresses Cleveland CLUs

Harold C. Rose, independent, New York City, described "Transfer of Capital" to Cleveland CLU chapter at the first in a series of programs on estate tax and business planning.

Mr. Rose explained the procedure of transferring funds from cash and bond accounts to high premium life insurance with resulting advantages which do not exist in usual non-growth gilt-edge securities. He discussed situations where trusts are set up to further enhance the tax savings and spoke of his philosophy of cooperation with counsel, accountant and trust officer of the client.

Honor Daggett With Campaign

Old Line Life agents honored James H. Daggett, chairman, with a special one-day sales campaign. Some 73 applications for more than \$500,000 were presented to Mr. Daggett at a company Christmas dinner for home office employees.

LIAMA School for One Company

Seventy-three managers of American National attended a LIAMA 12-day special school in Chicago, the 10th conducted exclusively for managers and home office agency department personnel from one company. William H. Whorf, director of schools, headed the school staff which included Fred-

eric M. Peirce, assistant to the managing director, William O. Cummings and Stanford Y. Smith, senior consultants.

To Cover Vets' Mortgages

Standard of Oregon won a contract to provide mortgage cancellation insurance for veterans who have farm and home loans made by the state department of veteran affairs. The insurance will be in the amount of the unpaid balance on the mortgage, and the cost will be 28 cents per month on each \$1,000 face amount.

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- Competitive cost — Flexible and liberalized.
- Family Income rider makes an ideal contract for young people with family responsibilities.

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ACCIDENT & SICKNESS

Insurers, Blue Cross Have Opposite Goals Indiana Congress Told

The primary interest of Blue Cross is protecting hospitals financially against people, whereas the primary interest of insurance agents is protecting people financially against hospitals, John Morris, Hoosier Casualty, president of Indiana Assn. of A&H Underwriters, told a Calumet-area A&H Sales Congress in Gary, Ind.

Other speakers at the congress, which served as a kick-off meeting for the formation of a local A&H association in the area, were William Highfield, editor of A&H publications of Insurance R&R and president of the Indianapolis A&H association; Spafford Orwig, Orwig agency, Indianapolis, member of the board of IAAHU; and R. W. Osler, vice-president and editor of life publications of Rough Notes Co., secretary of the Indianapolis and Indiana Assns. of A&H Underwriters. The meeting was under the direction of Phillip Kammerer, manager of New York Life at Gary, president of the Calumet Life Underwriters Assn.

Blue Cross was born of depression-years conditions which left hospitals with empty beds and unpaid bills, Mr. Morris stated. Its primary interest is in seeing that people can pay the first dollar of hospital expenses. On the other hand, the primary purpose of insurance is not to pay small losses, which should be handled out of pocket, but the large losses that are financially ruinous.

Mr. Morris declared that despite reports to the contrary, the Indiana A&H association has not "taken a stand" on Blue Cross. "Let us say instead," he stated, "that presently we are in the stage of careful exploration, and we are trying to limit our inquiry to practical proportions which will allow constructive results."

Mr. Highfield urged the industry to "awaken to its public service role." While warning against being "panicked" into offering coverages that are basically unsound from an underwriting standpoint, he urged making sure that the best and most useful coverages are offered and that the sale of less profitable forms not be restricted by reduced commissions and lack of company promotion and cooperation in their sale. He charged that it is the duty of agents to bring pressure on their home offices to force issuance and promotion of the forms best suited to actual needs.

Despite the tremendous growth of A&H in the last decade, there is more opportunity ahead for A&H-writing agents than lies behind, Mr. Orwig remarked. National income is zooming, and population is increasing by leaps and bounds, he pointed out. "What this means," he said, "is that there are constantly more man hours to insure and more dollars with which to insure them."

Mr. Osler charged that covering a man against loss of income by reason of death or old age and not covering him against loss of income by reason of disability is "nothing short of criminal because it is failing to do for a client everything you can to protect him."

The speaker urged that disability

needs be programmed right along with life insurance. "In fact," he declared, "we make a mistake in thinking of life and A&H as different forms. Instead, we should think in terms of programming a man's 'income protection needs' without even bothering to say, 'These are your life insurance needs, and these are your A&S needs.' The client is not interested in the technicalities of insurance. He is interested only in having his income protected against loss from any cause which can be insured."

Hartford A&S Men Elect

Hartford Assn. of A&H Underwriters has elected Lawrence M. Stanley president. Other officers are Fred Dinehart, vice-president; George J. Richards, secretary-treasurer, and William F. Conner, Edward E. Boyce, Kenneth Ostrinsky, Ansel Arnold, Kimberley Cheney, J. Arthur Cope and Stuart C. Ferris, executive committeemen. All are agents in Hartford.

Pushes A&H With Sales Contest

Federal Life of Chicago is introducing its new major medical and major hospital policies with a sales contest running from Dec. 1 to May 31. The first prize is a one-week trip to Paris or Hawaii, plus \$1,000 in cash.

Little Rock A&S Agents Elect

Earl Poore of Mutual Benefit H&A has been elected president of Little Rock Assn. of A&H Underwriters.

Harry Cordon of American Hospital & Life was elected vice-president and Mrs. Lucille Witter of First Pyramid Life was named secretary. Commissioner Combs addressed the meeting.

Offer A&S, Group Cover Courses

School of insurance of Insurance Society of New York will offer courses on A&S and group A&S cover in the spring semester starting Feb. 6. A&S instructor will be Francis Curran, superintendent of statutory disability division of Loyalty group. The group course will be taught by Raymond C. McCullough, who is with Equitable Society as an underwriter.

Madison A&H Assn. Holds Party

Madison Assn. of A&H Underwriters sponsored a Christmas party for pupils of the remedial class at Longfellow school.

Harold Fair headed the arrangements committee which included Robert A. Judd, L. B. Allord and Clarence Kroneman.

Ennen Joins Mutual Trust

Mutual Trust Life has appointed Archie L. Ennen general agent at Bakersfield, Cal.

Mr. Ennen has been in life insurance at Bakersfield for more than six years, serving with Woodmen of the World and Provident Life of Bismarck.

Retires from Continental American

Maynard L. Moore, purchasing agent of Continental American Life, retired Dec. 31 after 24 years' service. Mr. Moore joined the company at Wilmington in 1931. He went to the home office as purchasing agent in 1941.

Washington National Contest

The group field organization of Washington National is celebrating its 25th anniversary in 1956 with a sales contest that continues to March 31. The contest has been dedicated to both the "Blue Devil" organization of 76

field men at 28 group branches throughout the country and to Col. James F. Ramey, a senior officer of the company who is primarily responsible for founding the field organization.

U. S. Life Up 24%

U. S. Life showed an increase of 49% in paid-for domestic ordinary life business in November, bringing the increase for the first 11 months to 24%.

Knight Agency Changes

The Charles B. Knight agency of Union Central Life in New York City has made these executive changes: Earl H. Whitney, from manager of the group department to director of the group and pension department; Edward J. Griffin, from assistant manager to group manager; Hugh White, from assistant manager to brokerage manager; and Paul Goodman, from assistant manager to production manager.

Capitol Life Wins Award

Capitol Life of Denver received one of six national awards given by Veterans of Foreign Wars for getting behind the organization's poppy campaign. The front cover of the company's publication, *Contact*, carried an appeal for the support of the campaign.

On Fidelity Mutual Board

R. George Rindcliffe, president of Philadelphia Electric Co., has been elected to the board of Fidelity Mutual Life to fill the unexpired term of the late Horace P. Liversidge.

Guardian Elects Burns

John L. Burns, partner in the New York City management consultant firm of Booz, Allen & Hamilton, has been elected to the board of Guardian Life.

Cunningham in New Post

William Cunningham has been appointed assistant actuary of Pacific Mutual Life. He joined the company in 1953 after previous actuarial experience with London Life of Canada. He is an associate of Society of Actuaries.

Walsh Joins Equitable, Iowa

Equitable Life of Iowa has appointed James J. Walsh general agent at Columbus, O. Starting in insurance in 1945 as an agent at Cleveland, Mr. Walsh subsequently was in supervisory and training positions.



James J. Walsh

W. Va. Voids City Premium Tax

West Virginia supreme court has ruled that a 1% premium tax imposed by the city of Morgantown was illegal because it was a privilege tax rather than a license tax.

The court reversed a ruling by Judge Eddy of Monongalia county circuit court which favored the city in its suit against Fidelity Mutual Life to collect \$695 plus interest for three years' unpaid taxes on premiums.

Provident Mutual Sales Set Mark

Provident Mutual's life sales in November totaled \$15,517,000 for the seventh consecutive best month in history. Life sales for the first 11 months aggregated \$158,916,000.

Johnson for Joint Agency to Handle College Recruiting

Creation of some mechanism for broader personnel work among the nation's colleges towards the recruitment of more college graduates for life insurance careers, possibly using LIAMA, was urged by Holgar J. Johnson, president of the Institute of Life Insurance.



Holgar Johnson

Participating in the symposium on the place of the college graduate in the insurance business at the annual meeting of American Assn. of University Professors of Insurance in New York City, Mr. Johnson suggested that the life companies individually and collectively could profitably do more in developing college graduates for careers in the business.

"In the light of growing competition and the increased need for college-trained personnel, it would seem that more attention must be given by the life insurance business to methods and procedures for attracting this type of personnel," he said. "This must be done individually by those companies that are now using the college as a source of future leadership and through some collective mechanism that can be effected by those companies that have currently only a limited need."

There is a dual public relations value in that sort of a development, Mr. Johnson pointed out, not only stimulating the quality of service rendered to the public through better trained personnel, but through spreading a favorable attitude toward the business on the part of those interviewed but not either selected or persuaded to enter the new career.

Among the specific suggestions made by Mr. Johnson for those companies conducting campus interviews for personnel were the following:

1. Use of full time people—executives if possible—especially selected and trained.
 2. Limit on-campus interviews to companies' own geographical area, especially for home office jobs.
 3. Invitations to local college youth to visit companies on vacations or in summers; possibly summer employment, where possible.
 4. Coordinate all recruiting under one head, watching needs.
 5. Establishment of carefully developed schedule of visits, with carefully prepared presentations.
 6. Give students a chance to talk and ask questions.
 7. Remember that students talk among themselves and rate the recruiting personnel and presentations.
- It was Mr. Johnson's thought also that the students being interviewed had some responsibility for the outcome of any recruiting program, as they should meet in frankness, show an interest in career consideration, be easy to talk to, not be too hard to get and have material prepared to give the interviewer for consideration of the employment.

E. DIXON WILLIAMS, retired assistant secretary of Mutual of New York, died at his home in White Plains, N. Y. He retired in 1941 after 50 years service with Mutual.

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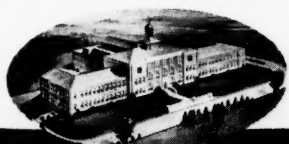
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